

THE BOEING COMPANY

AGREEMENT

Between

INTEGRATED DEFENSE SYSTEMS – HUNTINGTON BEACH,
INTEGRATED DEFENSE SYSTEMS – LONG BEACH
AND
BOEING COMMERCIAL AIRPLANE – LONG BEACH

*Components of
McDonnell Douglas Corporation
and*

241 pp.

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND
AEROSPACE WORKERS

Aeronautical Industrial District
Lodge 725

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TABLE OF CONTENTS

District Lodge 725

		Page
	AGREEMENT	1
ARTICLE I	RECOGNITION	
Section 1	Employees Represented	2
Section 2	Work Remain in Bargaining Units	2
ARTICLE II	COMPANY-UNION RELATIONS	
Section 1	Amicable Adjustment of Differences	3
Section 2	Guides in the Adjustment of Differences	3
ARTICLE III	STRIKES AND LOCKOUTS	
Section 1	Covenant Against Lockout	5
Section 2	Covenant Against Slow-Downs, Work Stoppages, Strikes or Interference With Production or Deliveries	5
Section 3	Union's Obligation	5
Section 4	Limitations Upon Responsibility of Union	6
Section 5	Other Rights of Company Not Precluded	7
ARTICLE IV	UNION REPRESENTATION	
Section 1	Qualifications, Requirements and Responsibilities	8
Section 2	General Rules Pertaining to Representatives	8
Section 3	Union Representatives	10
Section 4	Representation During Overtime	13
Section 5	Grand Lodge Representatives - District Business Representatives	14
Section 6	Time Off for Union Business	15
Section 7	Safety Committee	15
Section 8	Bulletin Boards	16
Section 9	Distribution of Literature	17
ARTICLE V	UNION SECURITY	
Section 1	Conditions of Employment	18
Section 2	Deductions	20
Section 3	Notice to Employees	22
Section 4	Indemnity Agreement	24
Section 5	Savings Clause	24

ARTICLE VI GRIEVANCE AND ARBITRATION PROCEDURE

Section 1	Union Grievances	25
Section 2	Employee Grievances	26
Section 3	Arbitration	28
Section 4	General	32

ARTICLE VII SENIORITY

Section 1	Definitions	35
Section 2	Determination of Seniority	35
Section 3	Temporary Transfers/Reclassifications	38
Section 4	Loss of Seniority	39
Section 5	Promotions	40
Section 6	Layoff Provisions	44
Section 7	Recall	51
Section 8	Shift Transfers	53
Section 9	General Provisions	53

ARTICLE VIII LEAVES OF ABSENCE

Section 1	Definitions	55
Section 2	Personal Leave	56
Section 3	Military Reserve or National Guard Leave	56
Section 4	Disability Leave (Occupational/Non-Occupational)	56
Section 5	Union Business Leave	57
Section 6	Election to Public Office Leave	57
Section 7	Educational Leave	58
Section 8	Peace Corps - VISTA Leave	59
Section 9	General	59

ARTICLE IX WAGES

Section 1	Definitions	60
Section 2	Hourly Wage Rate Ranges	61
Section 3	Wage Rates of Employees	63
Section 4	Shift Premiums	64
Section 5	Non-Standard Workweek Premium	64
Section 6	Automatic Wage Progression	65
Section 7	Cost-of-Living Allowance	66
Section 8	Flight Pay Bonus	68
Section 9	New and Revised Job Descriptions	68
Section 10	General Wage Increases	70
Section 11	Ratification Bonus	71
Section 12	Severance Benefits	71
Section 13	Combined Classification	71

Section	14	Upgraded Classifications	72
Section	15	Deleted Classifications	72
ARTICLE X HEALTH AND WELFARE			
Section	1	Employee Retirement Income Plan	73
Section	2	Health and Dental Care and Group Insurance	73
Section	3	Employee Savings Plan	73
Section	4	Employee Investment Plan	73
Section	5	General	74
ARTICLE XI HOLIDAYS			
Section	1	Holidays Normally Granted	75
Section	2	Holiday Pay	76
Section	3	Work on Holidays	78
Section	4	Definition of Holiday	78
ARTICLE XII VACATION BENEFITS			
Section	1	Vacation Year and Computation Date	79
Section	2	Vacation Time Off	79
Section	3	Vacation Pay	81
Section	4	Pro Rata Vacation Pay	83
ARTICLE XIII SICK LEAVE PAY			
Section	1	Computation	84
Section	2	Time of Payment	84
Section	3	Pro Rata Sick Leave Pay	84
ARTICLE XIV HOURS AND OVERTIME			
Section	1	Definition of Workday and Workweek	85
Section	2	Shift Hours	86
Section	3	Overtime Work	87
Section	4	Overtime or Premium Pay	87
Section	5	Report Time Pay	90
Section	6	Call-Back Time	91
Section	7	Computation of Time	91
Section	8	Pay Day	91
Section	9	Rest Periods	91
Section	10	Hours and Overtime Practices at White Sands and Edwards AFB Missile Test Site	91
Section	11	Pay for Jury or Subpoenaed Witness Duty	92
Section	12	Bereavement/Funeral Leave Pay	93
Section	13	Military Reserve Service Pay	93

ARTICLE XV	INVENTIONS	
Section 1	Execution of The Boeing Company and Subsidiaries Proprietary Information and Invention Agreement a Condition of Employment	95
Section 2	Invention Awards	95
Section 3	Grievances Concerning the Invention Award Plan and the Proprietary Information and Invention Agreement	95
ARTICLE XVI	SAFETY AND HEALTH	
Section 1	Safety Policy	96
Section 2	Safety Devices and Personal Protective Equipment	96
Section 3	Employee's Refusal to Work on Account of Alleged Unsafe Condition	96
Section 4	Safety Report Forms	97
ARTICLE XVII	SABOTAGE	98
ARTICLE XVIII	SECURITY REGULATIONS	
Section 1	Effect of Denial of Access	99
Section 2	Procedure to Contest Removal	99
ARTICLE XIX	GENERAL PROVISIONS	
Section 1	Prior Agreements Cancelled	100
Section 2	Separability	100
Section 3	Waivers	100
Section 4	Notices	100
Section 5	Amendment	101
Section 6	Supervisory and Administrative Employees Performing Bargaining Unit Work	101
Section 7	Apprentice Regulations	102
Section 8	Limitation on Effect of Correction Interview	102
ARTICLE XX	REPORTS TO THE UNION	
Section 1	Remittance and Statements to the Union	103
Section 2	Seniority Records	104
Section 3	Wage and Population Information	104
ARTICLE XXI	DURATION	
Section 1	Term	106
Section 2	Modification or Amendment	106
Section 3	Termination of This Agreement	106

APPENDIX "A"	
<i>Precepts and Principles</i>	111
Glossary of Terms	113
Alphabetical Job Classifications and Labor Grade - Production & Maintenance	124
Alphabetical Job Classifications and Labor Grade - Technical & Office	127
APPENDIX "B"	
Occupational Grouping Chart	128
APPENDIX "C"	
Job Occupations in Invention Award Plan	130
APPENDIX "C-1"	
Invention Award Plan	132
APPENDIX "C-2"	
Proprietary Information and Invention Agreement	133
INDEX LETTERS OF AGREEMENT	134
INDEX	213

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AGREEMENT

1

This Agreement is made and entered into at Huntington Beach, California, this 28th day of October 2002, by and between Integrated Defense System – Huntington Beach ('IDS-HB'), Integrated Defense System – Long Beach ('IDS-LB'), and Boeing Commercial Airplane – Long Beach ('BCA-LB'), components of the McDonnell Douglas Corporation ('MDC'), a wholly owned subsidiary of The Boeing Company (hereinafter sometimes referred to as the "Company") and the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, represented by its Grand Lodge for and on behalf of Aeronautical Industrial District Lodge 725 of the International Association of Machinists and Aerospace Workers (hereinafter sometimes referred to as the "Union").

2

In consideration of the mutual promises made herein, the parties hereto agree as follows:

ARTICLE I - RECOGNITION

Section 1 - Employees Represented

100

The Company recognizes the Union as the exclusive collective bargaining agent for such of the employees in Integrated Defense System – Huntington Beach ('IDS-HB'), Integrated Defense System – Long Beach ('IDS-LB'), and Boeing Commercial Airplane – Long Beach ('BCA-LB'), including their locations, as were certified by the National Labor Relations Board or agreed upon between the Company and the Union to be represented by the Union.

101

When used in this Agreement, the terms "Bargaining Unit", "appropriate Bargaining Unit" or "applicable Bargaining Unit" shall be one of the following: (1) Employees certified or agreed upon to be represented by the former District Lodge 1578, (2) employees certified or agreed upon to be represented by the former District Lodge 720.

102

When so stated, they shall be considered as separate Bargaining Units.

Section 2 - Work Remain in Bargaining Units

103

Both parties to this Agreement recognize the duties and work performed by the employees included under the scope of the Bargaining Units described above shall remain under the scope of this Agreement. No change in the method or means of accomplishing work, recognized in this Section to be represented by the Union, shall exclude the persons performing such work from the Bargaining Units covered by this Agreement.

ARTICLE II - COMPANY-UNION RELATIONS

Section 1 - Amicable Adjustment of Differences

200

In the belief that all differences that may properly arise between the Company and the Union or the Company and its employees, for whom the Union is the bargaining agent, can be amicably adjusted and settled, the parties have established the Grievance and Arbitration Procedure, set forth in Article VI.

Section 2 - Guides in the Adjustment of Differences

201

In the furtherance of this belief and as guides in adjusting and settling such differences the parties agree that:

202

(a) The management of the plant and the direction of the working forces, including the right to hire, promote, transfer, classify, reclassify, make layoffs for lack of work or other legitimate reasons, demote for just cause, release for just cause and for just cause to discharge, suspend or otherwise discipline employees are vested exclusively in the Company; provided, however, that the Company shall take no action in connection with these matters that is prohibited by this Agreement.

203

(b) The determination of the type of products to be manufactured, the location of the plants, the methods, the schedules of production, processes and means of manufacture are solely the responsibility of the Company.

204

(c) There shall be no discrimination, coercion, interference or restraint by the Company against any employee because of Union activity or membership in the Union.

205

(d) The Union will not coerce or intimidate employees into becoming members of the Union and there shall be no interference with Company operations and no solicitation or promotional Union activity on Company time, except as otherwise provided in this Agreement.

(e) The Union subscribes to the principle of a fair day's work for a fair day's pay and agrees that it will maintain this principle and use its best efforts to effectuate it wherever possible with the employees that the Union represents.

(f) The terms and conditions set forth in this Agreement shall be applied without discrimination of any kind on account of race, color, religion, national origin, sex, age, handicap/disability or status as a disabled veteran or Vietnam Era Veteran in accordance with all applicable state and federal laws.

ARTICLE III - STRIKES AND LOCKOUTS

Section 1 - Covenant Against Lockout

300

During the term of this Agreement the Company shall not cause, permit or engage in any lockout of its employees.

Section 2 - Covenant Against Slowdowns, Work Stoppages, Strikes or Interference With Production or Deliveries

301

During the term of this Agreement, neither the Union, its officers, its members nor any of the employees which it represents, will engage in, authorize, order, cause, sanction, encourage, incite or call for a strike, slowdown, work stoppage or any other interference with this Company's production or deliveries. For the purposes of this Article any of the activities stated in this Section 2 shall be known as prohibited activities.

Section 3 - Union's Obligation

302

In the event any member or employee the Union represents shall participate in any prohibited activities, the Union agrees:

303

(a) Upon written request by the Company, to forthwith advise the Company in writing that the prohibited activity has not been called or sanctioned by the Union.

304

(b) To provide on the same day of the occurrence copies of the following notice for posting by the Company on bulletin boards of the plant and such other locations as may be practicable:

"We have been advised by the Integrated Defense System – Huntington Beach, Integrated Defense System – Long Beach and Boeing Commercial Airplane – Long Beach that a strike, slowdown, stoppage of work or other interference with the Company's production or deliveries has occurred in the plant. Inasmuch as no strike, slowdown, stoppage of work or other such interference has been called or sanctioned by the Union, if you are engaging in any such activity, you are hereby instructed to cease such interference, to not respect or recognize any picket line or lines, and to return to work immediately.

AERONAUTICAL INDUSTRIAL DISTRICT
LODGE NO. 725
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS."

306

(c) That the Union will immediately disavow and refuse to recognize any picket line or lines established as a result of any unauthorized strike, work stoppage, slowdown, or other prohibited activities against the Company in violation of this Article.

307

(d) That the Company may take whatever disciplinary action it deems appropriate, including discharge, and that the degree of such disciplinary action shall not be reviewable through the grievance and arbitration procedure provided for in the Agreement; and that the action shall be final and binding upon the Union, its members and the employees it represents provided, however, that if such disciplinary action is taken by the Company, the Union may present, pursuant to the provisions of Section 1 of Article VI hereof, a grievance to determine solely the fact of whether or not the individual so disciplined did participate in prohibited activities. If it is determined that such individual did not participate in prohibited activities, then any disciplinary action theretofore taken for such reason shall be rescinded and the employee shall be fully reinstated including restoration of any loss of pay suffered as a result of such action.

Section 4 - Limitations Upon Responsibility of Union

308

In the event that any member of the District Lodge or International Union or any employee the Union represents shall participate in prohibited activities, the obligations of the Union in connection with such activity shall be limited to those specified in Section 3 above, and the Company agrees that it will not file or prosecute any action for damages arising out of said prohibited activities against the District Lodge, its Officers, Representatives or individual members or employees the Union represents, provided that the District Lodge, its Officers and Representatives perform their obligations and responsibilities as set forth in this Article, or against the International Union, its Officers, Representatives, or individual members, provided that the International Union, its Officers and Representatives perform their obligations and responsibilities as set forth in this Article.

Section 5 - Other Rights of Company Not Precluded

309

Nothing in this Article shall preclude any right to which the Company previously was entitled to seek legal redress of any individual who has caused damage to or injury to or loss of Company property.

ARTICLE IV - UNION REPRESENTATION

400

When used in Article IV, VI, and VII, the term Union Representatives shall hereinafter mean the formerly identified Chairman and Alternate Chairman. Other representatives authorized to be recognized in this Agreement shall be identified by their appropriate title, e.g., Business Representative, Safety Committee member, etc.

Section 1 - Qualifications, Requirements and Responsibilities

401

(a) Full-Time Employees: All Union Representatives and Safety Committee members referred to in this Article, shall be full-time regular employees of the Company and shall have been continuously in the employ of the Company for a period of at least ninety (90) working days immediately preceding their selection as such.

402

(b) Notification by the Union to the Company: The Union shall notify, in writing, the Director - Labor Relations or Designee at the location of the names of District Business Representatives, Union Representatives/Alternate Union Representatives, Safety Committee members and Union officers authorized to represent the Union.

403

(c) Union Representatives and Safety Committee Members Must Do Full-Time Work: Each Union Representative, Alternate and Safety Committee member is employed to perform full-time work for the Company and shall be responsible for such full-time work on their part, except when performing authorized duties as a Union Representative or Safety Committee member.

Section 2 - General Rules Pertaining to Representatives

404

(a) Duty to Report: Union Representatives, Alternates or Safety Committee members shall report to their immediate Supervisor, or Designee, prior to leaving work to perform the functions identified in Section 3(f) and (g) and Section 6 of this Article and shall also report on returning to their work assignment. The above Representatives shall advise their Supervisor at the conclusion of their lunch period, if the Union activity is not completed prior to their lunch period.

(b) Union Activity Pass: Union Representatives, Alternates or Safety Committee members before beginning any act authorized by this Agreement shall secure from their Supervisor(s) a Union Activity Pass. The Union Representatives shall identify the purpose for which the pass is requested. If the nature of business requires discussion with an employee, the Union Representative shall identify the employee so that the affected employee signs out on an Employee Activity Pass. Upon completion of the purpose for which the Union Activity Pass was issued, such Representatives shall return it to their Supervisor(s).

406

(c) Union Representatives and Safety Committee Members Recognized When Clocked In: Union Representatives shall not be recognized as such during any period of absence from the plant or location. Only in such event is the Union Representative's Alternate authorized to act. Except when performing authorized overtime work, Union Representatives or Alternates and Safety Committee members acting as such, shall enter and remain in the plant or location only on their respectively assigned shift, unless otherwise authorized to function on each occasion by a Representative of the Company's Human Resources Department.

407

(d) Subject to Company Rules: Each Union Representative is subject to all of the Company rules and regulations regarding the conduct of employees on Company premises, except as otherwise provided in this Agreement.

408

(e) Union Representatives Leaving Their Department or District: No Union Representatives shall leave or be authorized to leave their department or district to perform their functions, except as follows:

409

- (1) To act pursuant to Section 3(f)(3), (4) and (5), or Section 3(g) of this Article.

410

- (2) To investigate a grievance or dispute which necessarily requires observing work in, or discussion with an employee in a district other than their own.

- (3) Prior to conducting Union business, the Union Representative shall report to that department Supervisor stating, if known, the nature of the grievance or dispute. If the nature of the grievance or dispute requires discussion with an employee, the Union Representative shall identify the employee.

- (4) Having completed the investigation, notify that Supervisor and secure the time of departure and the signature of the Supervisor on the Union Activity Pass.

(f) Excessive Union Activity: Any charge alleging that a Union Representative is spending an unreasonable amount of time in handling grievances or disputes, or performing other duties of Union Representatives, shall first be referred to the Director - Labor Relations or Designee and discussed with the District President with a view to adjustment of such complaint.

Section 3 - Union Representatives

(a) Number of Union Representatives and Alternates: The Union shall be entitled to Representatives in the approximate ratio of one (1) Representative for each eighty-five (85) employees in the Bargaining Unit at a location covered by this Agreement or as otherwise agreed to in writing by the Company and the Union, and assigned so as to give effective representation to employees. The Union may also select an Alternate for each Representative, but the Alternate shall not function as a Representative except in the absence from the plant or location (clocked out) of the regular Representative. For the purposes of this Section 3(a) a Representative who is specifically assigned out of the district for at least one (1) full shift shall be deemed clocked out and during such period the Alternate may function.

(b) Who the Representatives Represent: Representatives shall be selected by the Union from, and shall function on behalf of, the employees in the districts agreed to between the Company and the Union.

(c) Procedure to Change Number of Representatives and/or Department Groupings:

416

- (1) The parties agree to meet within five (5) working days if either party so requests, for the purpose of effecting adjustments required by changes in Bargaining Unit population at a location.

417

- (2) If changes are in order, either party shall notify the other in writing, within two (2) working days after the meeting. Bargaining Unit headcount shall be defined as all employees on the active payroll at the location (not including employees on formal leave of absence).

418

- (3) In the event additional Union Representatives are to be assigned, the Union shall furnish, in writing, the names of those selected and the Company will recognize the Union Representative two (2) working days following receipt by the Company of notice of the appointment. However, an appointee processed under the provisions of Article VII during the week of receipt by the Company of notice of the appointment will not be recognized if the provisions require the appointee to be affected by a layoff or transferred out of the appointee's department or district.

419

- (4) Appropriate notice(s) shall be submitted to the Company for posting within five (5) working days from the receipt of notice provided for in paragraph (2) above.

420

- (5) In the event a reduction of Representatives is in order, the Union shall within ninety (90) calendar days following the notice in paragraph (2) above furnish, in writing, the names of those selected for reduction and the Company shall comply with such decertification. If such notice of reduction is not received within ninety (90) calendar days, the Company shall select appropriate Representatives for reduction.

421

(d) Limitation on Right to Transfer Representatives: It is recognized that the Management-Union employee relationship can best be developed by minimizing the transfer and/or reclassification of Representatives outside of their respective districts. It is recognized, therefore, that except when the department or group of departments within the district are closed down, or where there is no remaining

work the Representative is qualified to perform to which the Representative can be reclassified, a duly selected Representative shall not be transferred out of the district without the Representative's written consent, and the Alternate shall not, except in such case, be so transferred during any period in which functioning as Representative pursuant to Section 2(c) of this Article and Article VII, Section 2(h).

422

If any such Representative or Alternate shall be transferred in accordance with the foregoing provision, they shall automatically cease to be a Representative or Alternate and shall no longer function as such Representative or Alternate on behalf of the district which they represented prior to the transfer. Alternates may continue to function as such while on temporary loan out of their district.

423

(e) Whenever a Union Representative is the most senior qualified employee, for the purpose of effecting a promotion to an available opening on the shift on which the Representative is working, the Representative shall receive such promotion provided the Representative's seniority is greater than employees in the classification in which the available job occurs who are on a different shift and who have filed a request under Article VII, Section 8, to transfer to the shift where the vacancy occurs. The immediately preceding sentence shall not apply to Alternates functioning in the absence of the regular Representative.

424

(f) Rights of Union Representatives: A Representative, upon request to the immediate Supervisor or Designee, shall be permitted, without unnecessary delay to devote time, during the Representative's normal working hours, without loss of pay, for reasonable periods:

425

- (1) To investigate any grievance or dispute so that the same can be properly presented to the Supervisor or Designee.

426

- (2) To present to a Supervisor for adjustment a grievance or dispute requested by an employee or group of employees.

427

- (3) To attend meetings with Supervisors or other Company Representatives when such meetings are necessary to adjust grievances or disputes.

- (4) To confer with a duly accredited Grand Lodge or District Business Representative of the Union and/or employees on Company premises, only at such times and places authorized by the Director - Labor Relations or Designee.

429

- (5) To confer with an employee who has been informed by the Company that the employee is being discharged or is receiving a disciplinary layoff. The Human Resources Representative will inform the employee of this right and will call the Representative prior to action by the Company if requested by the employee. The above is not required if the employee is violent; however, the Company will notify the Union Representative, as soon as possible, of this occurrence.

430

(g) Union Representatives Meeting With Company Representatives: Meetings with designated Human Resources Representatives and Supervisors (including the presentation of grievances) will be by appointment. Such meetings will be held at times convenient to the designated Human Resources Representatives or Supervisors. All meetings will be held without unnecessary delay. Once meetings have been scheduled, the Company will notify the Representative of any change in time or place of the meeting.

431

(h) Introduction Of New Employees To The Union Representative: New employees will, within the first few days of employment, be introduced by the Company to their Union Representative and they will be given a reasonable amount of time to discuss Union membership.

Section 4 - Representation During Overtime

432

Overtime Representation: If one (1) or more employees are assigned work within a Representative's district on overtime hours after the conclusion of the regular shift or on Saturday, Sunday, or a holiday, during a period when representation for such employee(s) is not available, and if the Representative is not working during such overtime hours as an employee as provided in Article XIV, Section 3(c), the Representative may designate an employee scheduled for such overtime period in the district to act during that overtime period as Alternate Representative. The employee so designated, during the overtime period for which designated, shall have the rights set forth in Section 3(f)(1) above. The Company shall give the Representative timely notification of overtime to be worked within the district so that the Representative shall have the opportunity to make the designation herein specified. The Representative upon request to the Supervisor may examine overtime lists for the department developed under the provisions of Article XIV, Section 3(c).

433

(a) Any duly accredited Grand Lodge and/or District Business Representative of the Union shall be permitted to attend and participate in any meeting with Representatives of the Company's Human Resources Department held for the purpose of discussing grievances or other matters with Union Representatives, and to investigate grievances pertaining to the interpretation or application of the terms of this Agreement while in the company of a Representative of Human Resources.

434

(b) Any duly accredited Grand Lodge or District Business Representative of the Union shall be permitted to confer with Union Representatives and/or employees on Company premises, at such times and at such places as may be authorized by the Director - Labor Relations or Designee.

435

(c) Grand Lodge or District Business Representatives shall obtain specific authorization from a Representative of Human Resources of the Company for each such visit and shall be subject to all plant or location rules regarding visitors.

436

(d) Access to the plant by Grand Lodge and Business Representatives will be in accordance with the established procedure modified to the extent that such authorized Representatives with prior approval by the Director - Labor Relations or Designee may visit a specific department without escort. The Representative shall define the area in a specific department and the Supervisor of that department will be notified by the Director - Labor Relations or Designee prior to the Representative's entering the plant.

437

The Representative will be permitted to go directly to the department approved, conduct authorized Union business and will leave the plant as expeditiously as possible.

438

Any deviation from this procedure or abuse of this privilege will result in the cancellation of the privilege.

Section 6 - Time Off for Union Business

439

Upon receipt, two (2) working days in advance, of a written request by the President or Business Representative of the Union, the Trustees of the Union, numbering not more than three (3), the Union Executive Board numbering not more than fifteen (15), and the Vice President shall, on days regularly scheduled as plant workdays, be granted time off (not to exceed eight (8) hours daily or two (2) days in any workweek) for official Union business and such time shall be counted as time worked for the purposes of computing overtime and determining eligibility for Holiday pay. In addition, this provision shall be applicable to a maximum of two (2) designated representatives of the Union assigned to the Florida Test Center and one (1) designated representative of the Union assigned to the Vandenberg Test Center. Upon receipt, two (2) working days in advance, of a written request by the President or Business Representative of the Union and by mutual agreement between the Company and the Union, the provisions of this paragraph will be extended to Union Representatives. So far as practicable, Executive Board meetings will be held at times that will require the least number of employees to be absent from work.

440

Special circumstances may occasionally occur wherein the Union may request time off for employees outside the provisions of this Section. Such requests will be in writing, submitted to the Company at least five (5) working days prior to the requested time off. The granting of such time off will be subject to Company work needs and will be only by mutual agreement between the Company and the Union.

Section 7 - Safety Committee

441

(a) The Union shall be entitled to designate three (3) Representatives on a Location Safety Committee, which shall consist of six (6) members, three (3) of whom shall be appointed by and represent the Company. The Chairperson of this committee shall be rotated between the Union and the Company members each quarter. The Secretary shall be chosen from the opposite group to the Chairperson and shall keep minutes of all meetings.

442

(b) Meetings of the Committee shall be held monthly on such days as the Committee may designate. Such Committee shall discuss complaints regarding unsafe and unsanitary working conditions and shall make recommendations to management from time to time regarding such matters. Receipt and investigation of complaints regarding unsafe and unsanitary working conditions shall be processed pursuant to Article XVI, Section 4 of this Agreement. The Safety Committee shall act in an advisory capacity only.

(c) Additional Safety Committees or Representatives may be established by mutual agreement between the Company and the Union.

(d) The Safety Department will keep the Safety Committee and employee informed of the progress, disposition and adjustment of each complaint reported through the Safety Committee or through the procedure established in Article XVI - Safety and Health.

Section 8 - Bulletin Boards

(a) The Company and the Union shall maintain enclosed, locked bulletin boards in the facilities and locations in the Bargaining Unit to be used solely by the Union for posting its notices. The Company and the Union shall agree as to the size, number, and location of such bulletin boards; provided, however, that the number shall not be less than the number now in use, unless the area in which a board is located ceases to be used for plant operations.

(b) All notices to be posted on such bulletin boards must be approved by the Director - Labor Relations or Designee, and, if approved, shall be posted by the Union within forty-eight (48) hours, excluding weekends and holidays. A Union Representative, designated by the Union, shall be permitted up to two (2) hours per week, not to exceed eight (8) hours per month, to post Union Bulletin Boards. All notices will indicate date of removal from the bulletin boards. Notices to be approved shall be restricted to the following:

- (1) Union meetings.

- (2) Union elections.

- (3) Union appointments to office and results of elections.

- (4) Union social, educational, and recreational affairs.

- (5) Such other matters as may be agreed upon provided that such notices shall contain nothing political or controversial in nature.

Section 9 - Distribution of Literature

There shall be no distribution by employees or by the Union of protected union literature during working time. Distribution of protected union literature shall be permitted only so long as it does not litter working areas or disrupt production. Non-union literature, including but not limited to notices, pamphlets, advertisements, political matter or other literature of any kind, shall not be distributed on Company premises without prior authorization of the Director- Labor Relations.

ARTICLE V - UNION SECURITY

Section 1 - Conditions of Employment

500

(a) An employee in the Bargaining Unit on the effective date of this Agreement who is a member of the Union shall be required as a condition of continued employment to continue membership in the Union for the duration of this Agreement to the extent of tendering the membership dues uniformly required as a condition of retaining membership in the Union.

501

(b) An employee in the Bargaining Unit who is not a member of the Union on the effective date of this Agreement shall be required, as a condition of continued employment, to become a member of the Union within ten (10) calendar days after the thirtieth (30th) calendar day following the effective date of this Agreement, and shall remain a member of the Union to the extent of tendering an initiation/reinstatement fee where required and the membership dues normally required as a condition of acquiring or retaining membership in the Union for the duration of this Agreement.

502

(c) : Employees entering the Bargaining Unit after the effective date of this Agreement shall be required as a condition of continued employment to become members of the Union to the extent of tendering an initiation/reinstatement fee where required and membership dues normally required as a condition of acquiring or retaining membership in the Union for the duration of this Agreement, within ten (10) calendar days after the thirtieth (30th) calendar day following such entry into the Bargaining Unit.

503

(d) If an employee who is a member of the Union leaves the Bargaining Unit during the term of this Agreement (e.g., layoff, quit, promotion or reclassification out of the Bargaining Unit) and returns to work on a job in the Bargaining Unit during the term of this Agreement on or before the start of the last payroll period ending in any month and has not had Union membership dues for that month deducted from any pay received in that month, Union membership dues for that month shall be deducted from the pay received by the employee in the next succeeding calendar month, provided the employee has a currently effective Authorization for Check-Off of Dues form on file and the employee has sufficient remaining net earnings to cover such Union membership dues after making the regular Union membership dues deduction.

(e) The Union shall accept into membership each employee who now is in the Bargaining Unit or in the future enters the Bargaining Unit.

(f) For the purpose of satisfying conditions of employment under this Article only, no employee shall be required to pay dues for any period of time the employee is not on the active payroll or not in the Bargaining Unit; neither shall the Company be required to deduct dues for such periods. Failure to pay the appropriate dues during such periods may require payment by the employee of a reinstatement fee.

(g) An employee shall not be required to become a member of or continue membership in the Union as a condition of employment if employed in any state which prohibits or otherwise makes unlawful membership in a labor organization as a condition of employment.

(h) If and when the court of last resort of any such state, or any federal court assumes jurisdiction within such state, shall hold by final judgment or decree not subject to further review that an employer and a Union, may, by agreement, require employees of plants located in such state, as a condition of employment, to become members of the Union, or a statute or constitutional amendment of any such state shall expressly so provide, then employees of plants in such state who are in the Bargaining Unit on the date when such judgment or decree becomes final, or such statute or constitutional amendment becomes effective shall, as a condition of employment, become members of the Union in accordance with (b) above.

(i) Before any termination of employment pursuant to this Article becomes effective, the employee involved shall first be given notice in writing by the Union to pay the prescribed original initiation fee, reinstatement fee and/or required dues. If the employee fails to pay the original initiation fee, reinstatement fee and/or dues, the Union shall then notify the Company of the delinquency in writing. The Company shall then notify the employee to pay the fee and/or dues and if such dues and/or fees are tendered within forty-eight (48) hours after the employee receives this notification from the Company, dismissal hereunder shall not be required.

(j) An employee who shall tender an original initiation fee (if not already a member) or reinstatement fees if required and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to be a member of the Union for purposes of this Article.

510

(k) Membership in the Union, when used in this Agreement, is satisfied by the tender, either through a check-off authorization or directly to the Union, of uniformly required initiation or reinstatement fees and monthly dues. The signing by an employee of the Application for Membership card is not a mandatory condition of employment with the Company.

Section 2 - Deductions

511

The Company shall deduct Union membership dues, original initiation fees and reinstatement fees as applicable from the wages of employees upon the following conditions and at the times and in the manner hereinafter provided.

512

(a) Written Authorization of Employee Required: Deductions will only be made from the wages of an employee in the Bargaining Unit who has executed and delivered to the Company a written authorization on the following form:

513

Membership Dues, Initiation Fee and Reinstatement Fee Deduction - Authorization and Assignment:

Name:

First	Middle	Last
Loc.	Dept.	Shift
Employee No.		Start Date

MEMBERSHIP DUES, INITIATION FEE AND REINSTATEMENT FEE DEDUCTION -
AUTHORIZATION AND ASSIGNMENT

TO THE BOEING COMPANY (herein called the "Company")

You are hereby authorized:

1. To deduct from my wages each month such sum as shall have been certified by the International Association of Machinists and Aerospace Workers Aeronautical Industrial District Lodge 725 (herein called the "Union") as owed by me to the Union as and for membership dues, an original initiation fee or reinstatement fee. Such deduction shall be made in accordance with the provisions of the Collective Bargaining Agreement between the Company and Union.

2. To remit all sums so deducted to the Secretary-Treasurer of District Lodge 725.

This assignment, authorization and direction shall be irrevocable for the period of one (1) year from the effective date of the Collective Bargaining Agreement or until the termination of the Collective Bargaining Agreement between the Company and the Union which is in force at the time of delivery of this authorization, whichever occurs sooner; and I agree and direct that this assignment, authorization and direction shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable Collective Bargaining Agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union not more than twenty (20) calendar days and not less than ten (10) calendar days prior to the expiration of each period of one (1) year, or of each applicable Collective Bargaining Agreement between the Company and the Union whichever occurs sooner.

Date _____

Employee's Signature

514

(b) When Deduction is Taken: Each current month's deduction as authorized will be deducted from an employee's wages issued during the first (1st) pay period in the month, provided:

515

- (1) An authorization card has been received by payroll not later than noon on Monday of the first (1st) payroll period ending in the month as provided above, and has not been revoked.

516

- (2) The Union has certified in writing to the Company the amount of such dues. Certification and any changes thereto must be received no later than the tenth (10th) day of any month to be effective the following month, such certification will remain in effect until changed by the Union.

(c) Deduction of Initiation or Reinstatement Fee: An original initiation fee or reinstatement fee will be deducted as applicable when the first month's membership dues are deducted from the wages of an employee, provided the Union has notified the Company of the amount of such initiation fee or reinstatement fee not later than the tenth (10th) day of the month, which shall be effective the following month.

(d) Pickup Deduction: In the event an employee's wages issued during the first (1st) pay period in the month for which dues/fees are owed are insufficient to cover the deductions provided in (b) and (c) above, or the authorization card is received after the time specified in (b)(1) above, the Company will deduct the amounts owing therefore from wages earned during one of the subsequent pay periods in the same month (unless advised in writing by the Union not to make such deduction). Thereafter, the Company will make no further attempt to make such deductions.

(e) Remittance and Statements to the Union: The Company shall furnish on or before the twentieth (20th) calendar day of each month, the Union dues, reinstatement/initiation fee, remittance and statement data for the current month. Pickup remittance and statement data shall be submitted on or about the first (1st) of each month for the preceding month. Remittance and statement data will be submitted to the Secretary-Treasurer of the District Lodge in accordance with Article XX.

(f) Contributions to Guide Dogs of America: Upon receipt by the Company of a signed voluntary authorization by an employee, on a form approved by the Company, requesting that there be deductions made from the employee's wages, in a monthly amount designated by the employee, such deductions to be forwarded to the Union for use by Guide Dogs of America, the Company will thereafter make such deductions and forward them to Guide Dogs of America, care of the Union. Such authorization will remain in effect for the duration of this Agreement, unless earlier canceled in writing by the employee.

Section 3 - Notice to Employees

(a) The Company will notify each employee who enters or re-enters the Bargaining Unit of the obligation to become a member of the Union and pay membership dues as a condition of employment in accordance with this Article and will issue to the employee the following three (3) cards:

- (1) "Membership Dues, Initiation Fee and Reinstatement Fee Deduction - Authorization and Assignment" (Section 2(a) above)

- (2) "Election to Pay Directly to the Union"

Name:

First	Middle	Last
-------	--------	------

Loc.	Dept.	Shift	Employee No.	Start Date
------	-------	-------	--------------	------------

ELECTION TO PAY DIRECTLY TO THE UNION

I elect to meet the conditions of my continuing employment as required under the Collective Bargaining Agreement applicable to that employment by becoming a member to the extent of paying monthly membership dues and the appropriate initiation or reinstatement fees (where required) directly to International Association of Machinists and Aerospace Workers Aeronautical Industrial District Lodge 725 on a monthly basis.

Date _____

Employee's Signature

Employee's Address

- (3) "Application for Membership":

(b) The employee will acknowledge such notification and receipt of the three (3) cards in writing on a form as set forth below. The employee will further agree in writing on such form to sign and return one (1) of the three (3) cards to the Company within thirty (30) calendar days of accumulated service after entry or within seven (7) calendar days after reentry into the Bargaining Unit to signify which method has been elected of fulfilling the obligation under this Agreement.

EMPLOYEE SELECTION

I understand that in order to fulfill the conditions of my continuing employment under the Collective Bargaining Agreement applicable to that employment, I must become a member of the Union to the extent of paying monthly membership dues and the appropriate initiation or reinstatement fees (where required) either through payroll deductions or directly to International Association of Machinists and Aerospace Workers Aeronautical Industrial District Lodge 725 in accordance with this Agreement. I acknowledge receipt of three (3) cards; an application for membership in the Union, an authorization for deduction of dues/fees from my earnings, and an election to pay dues/fees directly to the Union. I hereby agree to sign and return to the Company within thirty (30) calendar days upon entry or within seven (7) calendar days upon reentry the appropriate card to indicate that I will meet this obligation either by payroll deductions or payment directly to the Union.

Date _____

Employee's Signature

Section 4 - Indemnity Agreement

526

The Union shall indemnify, defend and hold the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of action taken by the Company (1) under Section 1 in reliance upon the Union's representation that an employee may be lawfully discharged under Section 1, or (2) regarding any withholding of pay to or for the Union including, but not limited to, payroll deductions as provided under Section 2.

527

In consideration for this save harmless and/or indemnification clause, the Company agrees that the Union shall maintain the exclusive right to defend, settle, mitigate damages, litigate and/or take whatever action is necessary or it deems proper with respect to a person who sues the Company, under the National Labor Relations Act through attorneys of its own choosing and at its own discretion, but, in any event, if the Company unilaterally determines that it desires attorneys to represent it in defense of such actions, it shall do so at its own cost and not at the cost of the Union. It is further agreed that the Company shall promptly notify the Union of any such action when and if filed and the Union shall, at its own option, defend such actions and/or settle under the circumstances above described.

Section 5 - Savings Clause

528

No action shall be taken pursuant to this Article which contravenes any local, state or federal statute or other applicable law.

ARTICLE VI - GRIEVANCE AND ARBITRATION PROCEDURE

Section 1 - Union Grievances

600

(a) Scope and Procedure: Any grievances or disputes which the Union may have with the Company arising out of the application or interpretation of a specific clause or clauses of this Agreement shall be adjusted according to the following procedures:

601

- (1) Step One: The Union through the President shall present the grievance, in writing, to the designated site Labor Relations or Human Resources Manager as appropriate. They, or their authorized Representatives, shall discuss the grievance within fourteen (14) working days after receipt. The Company's decision shall be given, in writing, to the Union by the Manager or Director within seven (7) working days after the discussion of the grievance. This grievance shall contain the information defined in Section 2, Sub-section (a)(2), a., b. and c. of this Article.

602

- (2) Step Two: If the Union is dissatisfied with this decision, it may appeal such decision to the Director - Labor Relations or Designee within five (5) working days of the receipt of such decision. Such grievance shall be discussed by the Director or Designee with the President of the Union or Designee.

603

The Director's decision on such appeal shall be given to the Union, in writing, within seven (7) working days after such discussion is concluded.

604

- (3) If the Union is dissatisfied with the Director's decision, it may submit such grievance to Arbitration pursuant to Section 3 of this Article.

605

(b) Grievances Excluded From This Section: Grievances requesting remedy for individual employees, which can be presented under the provisions of Section 2 of this Article, and the subject matter of any grievance that has been presented by an employee under Section 2, shall not be presented under this Section 1. Union grievances which are presented under the provisions of this Section, and the subject matter of any grievance that has been presented by the Union under this Section, shall not be presented under Section 2.

Section 2 - Employee Grievances

606

(a) Scope and Procedure: Grievances or disputes of employees with respect to rates of pay, wages, hours and other conditions of employment, or arising out of the application or interpretation of a specific clause or clauses of this Agreement shall be adjusted according to the following procedure:

607

- (1) Oral Presentation of Grievance: Prior to filing a grievance in writing, employees, either directly or through their Union Representative, shall orally discuss the subject matter of the grievance with the supervisor, or designee. The supervisor, or designee, shall respond within three (3) working days to the Oral Presentation.

608

- (2) Step One: If the oral discussion provided for in (1) above does not settle the grievance to the satisfaction of the aggrieved employee, the employee may directly or through the Representative present such grievance in writing to the supervisor or designee, on a grievance form to be furnished by the Company. Such written presentation shall include all of the following information:

609

- a. A statement of the grievance that includes the alleged facts, date, time, and place upon which it is based, if known.

610

- b. The specific remedy or correction requested.

611

- c. The Article(s), Section(s) and paragraph numbers in this Agreement claimed to have been violated.

- d. The signature of the aggrieved employee or employees, if possible, and the Representative, if the Representative is presenting the grievance, and the date of signing.

613

The supervisor or designee shall meet, within three (3) working days, with the grieving employee or employees and with the employee's Representative, if such Representative wishes to be present, and shall attempt to adjust the grievance and shall render a decision thereon in writing within three (3) working days after such a meeting has concluded.

614

- (3) Step Two: If the written decision of the supervisor or designee is not satisfactory to the employee or the Union, the Representative or one (1) District Business Representative, within three (3) working days from the date of the Step One decision, may submit the grievance to the cognizant Human Resources Representative.

615

The affected supervisor's department head, or designee, the cognizant Human Resources Representative and the District Business Representative shall convene the Step Two meeting within three (3) working days after submission of the grievance and the parties shall endeavor to arrive at a satisfactory settlement.

616

A decision with specific reason(s) shall be rendered in writing on the grievance form by the department head within three (3) working days after the meeting.

617

- (b) Grievances alleging improper discharge, layoff or failure to recall filed by grievants not on the payroll and other grievances agreed upon by the Union and the designated site Labor Relations Manager or Designee shall be filed in writing directly into Step Two. Such written presentation, in addition to the information required in Section 2(a)(2) above, shall include the signature of a District Business Representative.

(c) Group Grievances: Pursuant to (1), (2) and (3) above and Section 3, in the event a group grievance is filed by more than two (2) employees, the oral, Step One and Step Two meetings shall be limited to two (2) grievants chosen by the Union to be representative of the group.

(d) Witnesses: Representatives meeting with the Company to discuss a grievance in the first (1st) or second (2nd) steps shall be entitled to have employee witnesses called in without loss of regular shift pay (if any is involved) to help determine the facts pertinent to the grievance or dispute. Any such witness so called in shall be paid only for time spent as a witness during regularly assigned shift hours. Not more than one (1) such witness may be called in at one time, unless otherwise agreed to by the parties. Any such witness on the active payroll shall be notified only by the Company at the request of the Union. For the purpose of expediting the conducting of a second (2nd) step hearing, a Business Representative of the Union shall advise the appropriate Human Resources Representative of the name(s) of known witness(es) at least two (2) hours prior to the scheduled hearing.

Section 3 - Arbitration

(a) Request for Arbitration: Within five (5) working days from date of receipt of the decision of the Director - Labor Relations or Designee on a grievance under Section 1, or the Company's decision on a grievance in Step Two under Section 2, the Union, through its President or Designee may request in writing that a grievance, arising out of the interpretation or application of a specific Article(s), Section(s) and paragraph number(s) of this Agreement, be submitted to arbitration. Only such grievances may be submitted to arbitration and none of them shall be arbitrated unless the request for arbitration cites the Article(s), Section(s) and paragraph number(s) of this Agreement cited on the grievance form.

(b) Submission to Arbitration: If the Company and the Union cannot agree upon the submission for arbitration, each party, at least two (2) working days in advance of the hearing, shall submit to the other a statement in writing of the issues it considers in dispute. After the parties opening statements and prior to the taking of evidence or testimony at the hearing, the Arbitrator shall determine the issues and in cases involving Employee Grievances the specific remedy based on the issues set forth by the Arbitrator, provided that such issues are arbitrable under the terms of Sub-section (a) of this Section 3.

(c) Arbitration Rules and Procedures:

622

- (1) Priority Scheduling: Priority grievances are those filed by grievants not on the payroll which involve continuing liability in alleging improper discharge, improper layoff or improper recall. These cases shall be heard no later than thirty (30) calendar days following the selection of the Arbitrator. Once a priority case is scheduled the scheduling of non-priority cases will not be precluded even though they may be set for hearing prior to the hearing date of the priority case.

623

- (2) Regular Scheduling: Grievances other than those described in (1) above, shall be scheduled for arbitration in the order selected by the Union. After the order is established by the Union, the Company and the Union shall select the Arbitrator according to this Article. The cases shall then be heard in that order unless the Company grants, the Union withdraws, or the case is otherwise mutually settled.

624

- a. Selection of Arbitrator: When there is no permanent Arbitrator the parties shall attempt to agree upon an Ad Hoc Arbitrator. In the event the parties cannot agree on an Ad Hoc Arbitrator, they shall select, within two (2) working days after appeal to arbitration, a panel of five (5) Arbitrators drawn from a pre-established permanent "fishbowl." Such "fishbowl" shall be established by each party designating ten (10) Arbitrators whose names will be placed in the "fishbowl." The parties shall attempt to select an Arbitrator from the panel so drawn. Should the parties fail to agree within three (3) working days after the establishment of the panel, each shall strike, on or before the fourth (4th) day, two (2) names from such panel in the following manner:

625

1. The parties shall determine by lot the order of elimination and thereafter each shall eliminate in that order alternately one (1) name until only one (1) remains. The fifth (5th) or remaining person shall be the Arbitrator. If the Arbitrator selected is not available within sixty (60) calendar days after selection, the selection procedure shall be repeated, starting within two (2) working days following notification by the Arbitrator to either party. The party so informed shall immediately notify the other party of the selected Arbitrator's unavailability.

2. When a Permanent Arbitrator is agreed upon between the parties all grievances to be arbitrated under this Section 3 shall be heard by a Permanent Arbitrator selected by the parties. In the event the services of the Permanent Arbitrator should be terminated or is unavailable, the parties shall attempt to select within thirty (30) calendar days another Permanent Arbitrator. Failing to do so within the thirty (30) day limit, the parties shall return to use of the "fishbowl".

627

3. At any time throughout the term of the Agreement either party may amend their list of Arbitrators for the "fishbowl" by submitting to the other party in writing such deletions/new names. Such deletions or additions shall be effective on the sixth (6th) working day subsequent to receipt.

628

4. All communication(s) with the Arbitrator regarding selection and hearing dates for grievances either by telephone or in writing, shall include the name of the grievant and the grievance number and shall be conducted jointly between the parties unless otherwise agreed to.

629

- (3) Hearing Date Limitations: Non-priority cases shall be heard by an Arbitrator within sixty (60) calendar days from the date of filing in arbitration.

630

- (4) Hearing Date Extension - Priority Cases: In the event that the number of cases scheduled for arbitration precludes the Union from appearing and presenting such cases within the thirty (30) calendar days for alleged improper discharge, layoff or recall, the Union may request in writing an extension of not to exceed thirty (30) calendar days and such extension shall be granted in writing.

631

- (5) Procedure Compliance: In the event a party fails to comply with the procedure set forth in Section 3(c) (1), (2), (3) and (4), the other party may, after five (5) calendar days written notice to the opposite party, make written request to the Arbitrator selected pursuant to Section 3(c) of this Article that the Arbitrator appoint a time and place for the hearing of the case and cause notice thereof to be served personally or by registered or certified mail on the parties to the arbitration not less than seven (7) calendar days before the hearing.

- (6) Time of Hearing and Decision: Pursuant to Section 3(c)(1) or (2), the Parties and the Impartial Arbitrator shall begin the arbitration on the mutually agreed date. The decision of the Impartial Arbitrator shall be rendered in writing and mailed to the parties within thirty (30) calendar days after the conclusion of the taking of evidence.

- (7) Expenses of Arbitrator: The fees and expenses of the Impartial Arbitrator shall be borne by the loser as evidenced by the decision of the Arbitrator. Should the decision of the Impartial Arbitrator result in a compromise decision, then the fees and expenses of the Impartial Arbitrator shall be shared equally by the parties. Should the Union withdraw a grievance or should the Company grant a grievance that has been scheduled for hearing, it shall be the responsibility of the withdrawing party or the party granting the grievance to pay the Arbitrator's fee if there should be one. The parties shall jointly inform the Arbitrator of the cancellation of an arbitration.

- (8) Expenses of Parties: Each party shall be responsible for all expenses incurred by it in the presentation of its case, including the payment for time lost by any employee called as a witness. Either party, at its option and at its own expense, may have the arbitration proceedings reported and transcribed.

- (9) Power of Arbitrator: The Impartial Arbitrator shall have no power to add to, subtract from or modify any of the terms of this Agreement or any supplement thereto, or any submission to arbitration agreed to by the parties, or to retain jurisdiction pending implementation of the award.

- (10) Effect of Arbitrator's Decision: The decision of the Impartial Arbitrator, if within the scope of authority as defined in this Section 3, shall be final and binding upon the parties.

637

(a) Extension of Time: Any of the periods within which any of the acts is required by this Article to be performed may be extended by written consent of the parties. If an extension beyond fifteen (15) calendar days is requested by the Union in a grievance involving continuing financial liability on the part of the Company, the period of time covered by such extension shall not be counted in determining financial liability.

(b) Time Within Which to File Grievances:

638

- (1) Ten Working Day Time Limit: No matter shall be considered as a grievance or dispute under Section 1 of this Article unless it is presented in writing within ten (10) working days after the occurrence of the events on which the grievance is based. No matter shall be considered as a grievance or dispute under Section 2 of this Article unless it is presented orally within ten (10) working days after the occurrence of the events on which the grievance is based.

639

- (2) Effect of Oral Presentation on Time Limits: The ten (10) day time limit in which to file a written grievance under Section 2 of this Article shall commence when management has responded to the Oral Presentation of the grievance.

640

- (3) Circumstances Preventing Knowledge: If the circumstances of the case prevent either the employee or the Union from knowing prior to the expiration of the ten (10) working day period that grounds exist for a grievance, the grievance must be filed, in writing under Section 1 or presented orally under Section 2, within ten (10) working days after the discovery of the circumstances resulting in the grievance.

641

- (4) Effect of Leave or Vacation on Time Limits: Any employee who is bypassed or disqualified for promotion while on vacation or a leave of absence of not to exceed thirty (30) calendar days on account of illness, shall orally present to the employee's Supervisor a grievance regarding such bypassing or disqualification within five (5) working days following the expiration of such vacation or leave of absence.

- (5) Period Applicable - Misclassification Claims: All work performed by an employee during only the ten (10) working days described in (1) and (2) above, or such lesser number of working days as are determined by the filing date of the grievance, shall be considered in resolving a misclassification claim, unless it can be proven that the employee was regularly assigned to the contended duties within the thirty (30) calendar day period immediately prior to the filing of the grievance.

643

- (6) Time Limits Related to Status Activity Report: The ten (10) working days referred to above shall commence in the case of grievances or disputes involving employee status changes: (1) for employees at the test centers or outside locations when the Human Resources Representative makes the status change listing available to the Union Representative; (2) for employees at other than test centers or outside locations when the status change listing has been made available to the applicable District Lodge office.

644

- (7) Grievances or disputes regarding alleged improper discharge must be filed in writing within ten (10) working days after such discharge.

645

- (8) Grievances or disputes regarding alleged improper layoff or recall must be filed in writing within ten (10) working days after such layoff or recall unless the circumstances of the case made it impossible for either the employee or the Union to know that the employee had such a grievance prior to that date, in which case such grievance must be filed within ten (10) working days after the discovery of the circumstances resulting in the grievance.

(c) Limitation on Retroactive Effect of Grievance or Arbitration Decision:

646

- (1) No reclassification or change in rate to be effective prior to the date a grievance is filed shall be granted in any decision under this Article, unless the aggrieved employee requests in the statement of the grievance that the reclassification or rate change be made effective retroactively and it is determined in the grievance or arbitration procedure to be justified. If such request is made and found to be justified, such request shall be granted, retroactively, effective as of the beginning of the payroll period nearest the date that the misclassification first occurred or the change in rate was found to be justified, provided that such retroactive period shall not extend beyond ten (10) working days prior to the date such grievance was presented.

- (2) No grievance or arbitration decision covering any other type of grievance shall provide for retroactive effect for more than thirty (30) working days prior to the date such grievance was presented.

648

(d) Decision Final: Decisions rendered in the oral step shall not establish a precedent. The decision rendered in Step One and Step Two of the grievance procedure provided for in this Article shall be in writing and signed by the person or persons who made the decision, and such decision shall be final and binding unless within the time allowed such decision is appealed to the next step in the proper grievance procedure or to arbitration where arbitration is available.

649

(e) Effect of Union Failure to Comply With Time Limitations: The parties agree that the time limitations provided in Section 3 of this Article are essential to the prompt and orderly resolution of any case appealed to arbitration and that each will abide by the time limitations, unless an extension of any such time limitation is mutually agreed to in writing. Failure by the Union to comply with any time limitation provided in Section 3 of this Article, unless such written extension is secured, shall constitute a withdrawal from arbitration of the grievance.

650

(f) Effect of Company Failure to Comply With Time Limitations: In the event of failure by the Company to comply with time limitations required of the Company by this Article, unless such written extension is secured, the Union may proceed to the next step of the grievance or arbitration procedure without waiting for the Company to comply.

651

(g) Time for Paying Grievance and Arbitration Awards: Any employee found to be entitled to monetary redress by reason of a grievance or arbitration award shall be paid this money, less any amount earned by reason of employment elsewhere during a period of termination or failure to recall, within thirty (30) calendar days of the date of such award or the date the employee furnishes the Company with a statement of earnings of the employee, if applicable, whichever is later.

652

(h) Notwithstanding the provisions of Section 1 and Section 2 above, the termination by the Company of probationary employees (as defined in Article VII, Section 2(c)) for failure to meet the work requirements of the employee's job as they relate to ability or production shall not be subject to the Grievance and Arbitration Procedure set forth in this Article.

ARTICLE VII - SENIORITY

Section 1 - Definitions

700

Seniority as used in this Agreement designates the length of service of an employee as established in this Article, the possession of which entitles the employee to certain rights and privileges hereinafter provided.

Section 2 - Determination of Seniority

701

(a) Employees Now in Bargaining Unit: The seniority of each employee who was in an occupation within the Bargaining Unit represented by former District Lodge 1578 on the certification date of such Bargaining Unit shall accrue and be determined by the length of employment from last start date without seniority.

702

(b) Employees Entering the Bargaining Unit: The seniority of employees transferred and/or reclassified, without seniority, into an occupation included within the Bargaining Unit from an occupation not included within the Bargaining Unit shall possess no seniority privileges or rights as a probationary employee in the Bargaining Unit. New employees and former employees hired with no seniority rights or privileges who continue in the employ of the Company after said probationary period shall be credited with seniority as of the effective date of their hire, rehire, transfer and/or reclassification.

703

(c) Probationary Employees: New employees shall be probationary employees during the first ninety (90) calendar days of active status (not on leave of absence) in the Bargaining Unit.

704

(d) Probationary employees assigned to formal training or certification during their first ninety (90) calendar days will have their probationary period extended for the period of such training. However, the total probationary period, including training days, shall not exceed one hundred and twenty (120) calendar days.

(e) Reclassifications and/or Promotions Out of the Bargaining Unit:

705

- (1) Employees of the McDonnell Douglas Corporation who were reclassified and/or promoted prior to 14 April 1975, from a classification in the Bargaining Unit to one not in the Bargaining Unit in the McDonnell Douglas Corporation, shall retain the seniority possessed at the time of such reclassification or promotion and shall continue to accumulate seniority up to 14 April 1975. On or after 14 April 1975, such employees who remain continuously employed in the McDonnell Douglas Corporation will retain the total seniority credited on 14 April 1975, but will not accumulate any Bargaining Unit seniority thereafter. Upon subsequent return to the Bargaining Unit, all retained and accumulated seniority shall be credited to the employee in accordance with Section 6(b) of this Article. Seniority lost prior to 14 April 1975 will not be restored.

706

- (2) Employees reclassified and/or promoted on or after 14 April 1975, from a classification in the Bargaining Unit to one not in the Bargaining Unit in the McDonnell Douglas Corporation who remain continuously employed in the McDonnell Douglas Corporation on or after 14 April 1975, shall retain all Bargaining Unit seniority possessed at the time of such reclassification/promotion but shall not accumulate seniority while classified in a classification not in this Bargaining Unit. Upon subsequent return to the Bargaining Unit, all retained seniority shall be credited to the employee in accordance with Section 6(b) of this Article.

707

- (3) Employees who were promoted prior to 24 October 1944, in the Production and Maintenance Unit and 31 May 1946, in the Technical and Office Unit from hourly paid jobs which were subsequently certified to be represented by this Bargaining Unit into supervisory or administrative positions in McDonnell Douglas Aerospace, the Douglas Aircraft Company – Long Beach or other Divisions/Components of McDonnell Douglas Corporation, provided they remained continuously employed in the McDonnell Douglas Corporation shall accumulate seniority in this Bargaining Unit from date of last hire without seniority to 14 April 1975, which such employees may exercise upon their subsequent return to this Bargaining Unit in accordance with Section 6(b) of this Article.

(f) Restoration of Lost Seniority: If an employee is rehired after loss of seniority under Sections 4(e) or 6(h) of this Article, the employee's seniority at the time of layoff or release, plus any seniority such employee was entitled to accumulate during layoff or release in accordance with Section 6(h) of this Article, will be restored after ninety (90) calendar days of continuous service on the active payroll, provided the employee reenters this Bargaining Unit within five (5) years from the employee's loss of seniority as provided in Sections 4(e) or 6(h) of this Article.

709

(g) Seniority During Periods of Layoff: Subject to the provisions of Section 4 of this Article, employees who are laid off shall accumulate seniority during such periods of layoff.

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(h) Seniority of Union Representatives: Union Representatives shall be entitled, subject to their ability and qualifications to perform the required services of any remaining classification within their District, to displace or be downgraded within their District in accordance with their seniority rights, and without regard to their seniority, to be the last employees laid off out of their respective District.

711

- (1) Alternate Representatives when functioning as Union Representatives during periods when the regular Union Representative is on vacation or on an authorized leave of absence pursuant to Article VIII upon prior submission of a Union Representative Vacation or Authorized Leave Notification Form to Human Resources by the affected Union Representative.

712

- (2) The rights accorded Union Representatives shall be effective two (2) working days following receipt by the Company of notice of the appointment. However, an appointee processed under the provisions of Article VII during the week of receipt by the Company of notice of the appointment will not be recognized if the provisions require the appointee to be affected by a layoff or transferred out of the appointee's department or district.

(i) Employees Not Governed by Seniority Rules: The Company may employ, without regard to seniority, but for not more than twelve (12) months each, the following classes of employees:

714

- (1) Bona fide trainees for non-bargaining unit technical, engineering, administrative, or executive positions. No regular full-time employee shall be laid off by reason of the employment of any such trainees.

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- (2) Employees possessing needed skills, not possessed by employees presently employed within the Bargaining Unit or subject to recall to facilitate the tooling and/or start of production of a manufacturing contract and/or termination of an existing manufacturing contract.

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(j) Employees Starting on Same Calendar Day: The seniority of persons starting on the same calendar day shall be in alphabetical order of most recent surname as shown on Company records, and if surnames are identical, in alphabetical order of first name and middle initial.

Section 3 – Temporary Transfers/Reclassifications

717

(a) Transfers Out of the Bargaining Unit: If an employee is temporarily transferred/reclassified from the Bargaining Unit for a period not to exceed ninety (90) working days or such longer period as may be mutually agreed upon by the Company and the Union, in writing, the employee shall retain and accumulate seniority in the occupation in the same Bargaining Unit from which transferred/reclassified during the period of such temporary transfer. For assignments outside the United States, the Company will continue to recognize dues deduction authorizations during such period of temporary transfer.

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(b) Transfers Within the Bargaining Unit: If an employee is temporarily transferred from an occupation in the Bargaining Unit to another occupation also within the same Bargaining Unit, said transfer shall be limited to a period not to exceed forty (40) working days (except as provided in Section 8(b) of this Article) unless mutually agreed upon by the Company and the Union in writing. Such assignments shall take precedence over all recalls, promotions or shift transfer requests in the affected classifications.

Section 4 - Loss of Seniority

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Seniority shall be lost by the occurrence of any of the following:

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(a) Quit, including absent without leave.

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(b) Discharge for just cause.

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(c) Release for just cause, except as provided in paragraph (g) of Section 6 or paragraphs (c) and (e) of Section 7 of this Article.

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(d) Retirement, including election of deferred benefits, under the provisions of the pension plan(s) of MDC.

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(e) Layoff for two (2) years if the employee has less than two (2) years of seniority at the time of layoff, or layoff for three (3) years if the employee has over two (2) but less than three (3) years of seniority at the time of layoff, or layoff for four (4) years if the employee has over three (3) but less than four (4) years of seniority at the time of layoff, or layoff for six (6) years if the employee has more than four (4) years of seniority at the time of layoff.

725

(f) Failure to keep the Seniority Operations of the Company or location from which laid off, informed, by certified or registered mail, of proper mailing address and name changes after layoff.

726

(g) Failure to notify the Seniority Operations of the Company or location from which laid off of intention of accepting or rejecting a recall within five (5) working days from date of postmark or meter date of notice of recall sent by certified mail, registered mail, or mailgram to the most recent mailing address shown on the Company's personnel records, or failure to return to work within two (2) working days after notifying the Seniority Operations of intention of accepting a recall unless a reason for such failure to appear is given that is acceptable to the Company. However, if such an employee, who otherwise would retain seniority except for the provisions of this Section 4(g), contacts Seniority Operations in writing within thirty (30) calendar days of seniority loss, seniority will be reinstated and the employee will be placed on the recall list in seniority order for the next recall opportunity.

(h) Employees who refuse placement in their last Bargaining Unit classification (excluding Lead) at time of layoff or reclassification from their non-bargaining unit occupation, which refusal must be in writing, shall lose all seniority in the Bargaining Unit.

(i) Refusal of recall by a former employee who has no additional recall.

Section 5 - Promotions

(a) Definition of Promotion: For the purpose of this Article, a promotion shall be defined as:

- (1) Any change from one classification to another classification with a higher base wage rate range maximum with or without an immediate change in base rate, or any change from one classification to another classification at Production and Maintenance Labor Grade 12 or higher and Technical and Office Labor Grade 11 or higher, with the same base wage rate range maximum with or without an immediate change in base rate, or

- (2) Reclassification to Lead from any other classification in the same occupation.

(b) Promotional Procedure: When effecting promotions, except for leads, employees shall be selected for promotion in order of their seniority, if they possess substantially equal ability to perform the higher-rated classification, in accordance with the following procedure: (Employees will not be downgraded for the express purpose of defeating the application of this promotional procedure.) In selecting Lead personnel, the Company will choose from those employees who have demonstrated the skill and ability in their current job to perform lead duties. The Company shall choose the Lead personnel from employees whose seniority is in the upper fifty percent (50%) of the classification in which a Lead is required.

- (1) Employees in the next lower job on the Occupational Grouping Chart of Appendix "B" containing such available higher-rated job at the location shall be offered promotion.

734

- (2) Request for Promotion: If such available higher-rated classification has not been filled under (1) above, employees shall next be offered promotion under this Sub-section as follows:

735

- a. Notice of available Bargaining Unit classification openings at the location with a brief description of the required qualifications shall be placed on Company designated bulletin boards. The notice normally will be posted on a Monday for five (5) consecutive working days. The closing date of the posting will be included on the notice.

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- b. If an employee who possesses the required qualifications wishes to be considered for an available opening, the employee may submit a promotional request. Such request must be received by the Human Resources Department no later than the end of the employee's regularly scheduled shift on the fifth (5th) working day following the original day of posting. Employees on authorized vacations may apply within seven (7) calendar days after their return for openings announced during their vacations which are still unfilled (not allocated to a particular applicant).

737

- c. Employee requests will be promptly evaluated by the Company. Those which are approved will be retained for a period of twelve (12) months from the date of posting. Those which do not meet the qualifications for the available classification will be returned to the employee. The Company will not re-post these openings until the applications have been exhausted nor will the Company be required to re-post an opening for the same classification more often than once in any thirty (30) calendar days.

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- d. An employee may have only two (2) promotional requests in process at any time. When selected for promotion in accordance with Section 5(b) of this Article, the other promotional request, if any, shall be canceled.

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- e. Employees will be notified in writing not later than thirty (30) calendar days after the posting whether their applications are accepted or denied. Employees whose applications have been denied will be advised by the Company of the reasons for denial. When the employee requests, the Company will counsel the employee as to where and how the employee may qualify.

- f. When an employee is promoted or refuses promotion as a result of the procedure defined in this Sub-section (3), the employee shall not be eligible to file another request for promotion for six (6) months. Prior to being selected for promotion, an employee may withdraw a promotional request at any time.

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- g. Employees selected for promotion under this Sub-section (3) shall be released to the available higher-rated classification within ten (10) working days following selection for promotion.

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- h. Employee activity in connection with making application for promotion will be on the employee's own time and in accordance with Company Rules.

743

(c) Employees promoted to a higher-rated classification who, within sixty (60) days of work after such promotion, disqualify themselves or are found not to possess the qualifications required to perform the job, shall be returned to their former classification provided their seniority is greater than that of other employees employed in such former classification. Employees will not possess recall or displacement to the jobs from which they are disqualified.

744

(d) Employees promoted to Lead who elect to discontinue their Lead assignment or disqualify themselves, shall be returned to their former classification provided their seniority is greater than that of other employees employed in such former classification. Employees will not possess recall or displacement to the Lead classification from which discontinued and will return to the same pure base rate in effect at the time of promotion plus any automatic wage increases they would have received during the Lead assignment period.

745

(e) In order to determine whether the reclassification of an employee to the "Lead" classification from a classification in a different occupation is an upgrade, downgrade, or in the same grade, the maximum base wage rate of the classification (except Lead) of the occupation in which the employee is classified shall be compared with the maximum base wage rate of the classification (except Lead) of the occupation to which it is proposed to reclassify such employee as "Lead".

(f) In order to determine whether the reclassification of an employee from the "Lead" classification to a classification in a different occupation is an upgrade, downgrade, or in the same grade, the maximum base wage rate of the classification (except Lead) of the occupation in which the employee is classified as "Lead" shall be compared with the maximum base wage rate of the classification (except Lead) of the occupation to which it is proposed to reclassify such employee.

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(g) In the event promotions involve shift changes, employees selected for promotion shall be given preference in seniority order for placement in the available classification.

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(h) The provisions of this Section 5 shall take precedence over the provisions of Section 8 of this Article whenever promotions are being effected, except as to promotions to a vacancy in the same department in which the employees who have filed shift transfer requests are working.

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(i) Whenever a Lead is on authorized vacation or leave of absence, or assigned to temporary duty at another location, the Company shall select another qualified employee as a temporary Lead. Temporary Leads will not be required during an absence of less than one (1) week's duration. Such selection will be an employee in the same work group. The employee selected shall possess no displacement or recall rights in or to the Lead classification by virtue of this temporary assignment.

750

(j) Reclassification as a result of the installation of a new or revised job is not a promotion for the purpose of this Article.

751

(k) It is recognized that the adjustment of a grievance under Article VII, Section 5, of this Agreement sometimes results in the granting of the aggrieved employee's request for promotion. It is also recognized that the aggrieved employee is not always the senior person in the classification, although senior to the person the aggrieved seeks to replace. When such a grievance is adjusted in the above manner, the adjustment is not to be construed as a separate promotion in accordance with the definition as set forth in Section 5 of Article VII. The only promotion in such cases will be construed to have taken place on the date the junior employee was reclassified to the available opening. If more than one (1) grievance is filed against the promotion of a junior employee, such grievances will be adjusted in seniority order only against such originally promoted junior employee.

752

(l) No employee will suffer a reduction in Base Rate as a result of accepting a promotion.

Section 6 - Layoff Provisions

753

(a) Layoff: When it becomes necessary for the Company to reduce its working forces in a classification in the Bargaining Unit by reason of work needs, employees shall be selected for displacement and layoff in accordance with the following rules:

754

- (1) Affected Employees: For the purposes of this layoff provision, an affected employee shall be defined as:

755

- a. The employee with the least seniority in the reducing classification in the reducing department.

756

- b. An employee who is being displaced by another employee in accordance with the displacement procedure hereinafter provided.

757

- (2) Selection and Layoff: The required reduction of employees in a classification shall be accomplished through the layoff of employees as follows:

758

- a. Employees with no seniority in the reducing classification shall first be laid off.

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- b. Employees selected for layoff in accordance with the displacement procedure and displacement rules of this layoff provision shall be next laid off.

- (3) Displacement Procedure: "Affected employees" as defined above shall be entitled to displace:

761

- a. The employee with the least seniority in the same classification.

762

- b. The employee with the least seniority in the classification last previously held if currently holding Factory 10 or Technical and Office 8 labor grades or higher.

763

- c. Employees with last job classification held rights who do not possess sufficient seniority to be placed (or to hold) in their applicable former classification last previously held shall be entitled to displace the employee with the least seniority in the next last job held (if any) without further displacement rights.

764

- d. Employees who are displaced by the application of the rights established in a., b., and c. above, shall in turn possess the same rights to displace other employees.

765

- e. Where two (2) or more employees are involved in effecting a displacement under the provisions of Section 6(a) above, such displacement shall be sequentially processed in seniority order of the most senior to least senior.

- (4) Displacement Rules:

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- a. Bargaining Unit employees who are reclassified to a lower-rated job as a result of this displacement procedure or for any other reason shall receive the maximum rate of pay for such lower-rated job, provided that no employee shall be granted an increase in pay as a result of such reclassification.

767

- b. Employees who, at the time of displacement, do not possess sufficient seniority to displace in the lower classification shall be considered as having been so classified for purpose of establishing recall rights.

- c. The displacement privileges established in (a)(3) above, and the further displacement privileges established in (a)(4)b. above, shall be granted only in the order stated and the Company shall not transfer employees to other plant locations to avoid the application of this displacement privilege nor shall the Company promote employees through the application of the displacement procedure.

769

- d. Displacement to last job classification held will exclude those job classifications to which employee possesses recall rights.

770

- e. For the purpose of effecting the displacement privileges provided for in this Section, the following location groups are established:

- Group 3: C1 Douglas Aircraft Company - Commercial (employees represented by former District Lodge 1578)
- Group 4: C1/Edwards AFB McDonnell Douglas Aerospace Transport Aircraft Business Unit (employees represented by former District Lodge 1578)
- Group 5: White Sands Missile Range
- Group 6: Florida Test Center
- Group 7: Vandenberg Air Force Base
- Group 10: Space Systems Center, A3
- Group 12: Yuma Airport Facility
- Group 13: C13 Quick Response Center

Each group shall be considered as one location for displacement purposes.

771

- 1. Each Group 3, Group 4 or Group 13 employee scheduled for layoff shall be entitled to exercise displacement privileges into the Group 10 location.

772

- 2. An employee transferred from the Group 10 to Group 3, 4, 5, 6, 7 or 13 shall be entitled to exercise displacement privileges into Group 10 provided such employee's transfer was directly or through any other location represented by former District Lodge 1578.

3. Each Group 12 employee scheduled for layoff shall be entitled to exercise displacement privileges into Group 3.

4. Each Group 10 employee scheduled for layoff shall be entitled to exercise displacement privileges into Group 13.

- f. For the purpose of effecting the recall privileges provided for in Section 7 below, employees laid off from the above Group locations shall have recall rights to locations in the Group from which laid off.

- g. In order for any employee in Groups 3 through 12 who is affected by layoff to exercise any applicable displacement right contained in (a) above, such employee must inform the Company of the employee's decision within twenty-four (24) hours after notification and the displacement procedure shall proceed in accordance with such decision.

- h. Employees affected by a layoff who have sufficient seniority to displace into a classification shall be placed in available openings in that classification before displacing other employees in such classification.

- i. Notwithstanding the provisions of 6(a)(4)e. and f. above, the employees in Groups 3, 4, 10, 12 and 13 will be subject to the provisions of the applicable Letters of Agreement.

(b) Return of Non-Bargaining Unit Salary or Hourly Employees With Bargaining Unit Seniority: When the Company determines it necessary to place salaried or hourly employees who formerly were promoted or reclassified as provided in Section 2(e) above back into the Bargaining Unit, such employees shall exercise their retained and/or accumulated Bargaining Unit seniority starting at their present location. Notification of the employee's desire to exercise this retained seniority must be given by the employee to the Company at the location where the employee is working at time of receipt of notice of layoff.

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- (1) If salaried, they shall be offered the Lead classification, if they had previously held it, of the last held Bargaining Unit occupation. Otherwise they will be offered the last held Bargaining Unit classification.

781

- (2) If hourly, they shall be offered the last held Bargaining Unit classification.

782

- (3) Employees whose seniority is insufficient for placement in such classification shall be entitled to all of the provisions of this Article, including recall to the last held classification.

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- (4) Employees shall then become subject to the provisions of this Section, Section 4 and Section 7 of this Article.

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(c) Temporary Layoffs: For temporary layoffs, which in the judgment of the Company are not to exceed two (2) weeks' probable duration, the employees in the department and on the shift affected will be laid off according to their seniority within the classification in such department and shift; provided that if such layoff should extend beyond two (2) weeks' duration, the employees laid off in such department shall immediately be returned to such work as they are qualified for within their classification if their seniority is greater than that of other employees then at work in such classification at the location. Where service (supporting) departments are affected and where necessary, the temporary layoff shall apply in like manner to employees of such service departments assigned to the work affected.

(d) Notice of Layoff: The Company shall give at least ten (10) working days' notice prior to layoff to the employee to be laid off except when caused by the termination or amendment of a government or other production contract subject to cancellation, and except in cases where the employee is absent or it is otherwise impractical to give such notice, and except in cases of temporary layoff not exceeding two (2) weeks' probable duration. As to temporary layoffs, the Company shall, whenever possible, give at least two (2) working days' notice to the employee to be laid off.

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(e) Voluntary Layoffs: Employees who desire to resign employment, whose work area is targeted for a temporary or permanent reduction in force, may indicate to management, in writing, their desire to be laid off. The voluntary layoff may be approved provided the layoff will result in an actual reduction in headcount within the targeted department and classification or the volunteer can be laid off to "save" a similarly classified employee in another work group. The saved employee will be transferred to the volunteering employee's department. Voluntary layoffs may be denied employees with critical skills that management deems cannot be replaced immediately in the employee's absence. This paragraph is not subject to the grievance and arbitration procedure.

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(f) Employees on Leaves: Employees who become subject to layoff while on leave of absence by reason of disability shall be processed for layoff as of the scheduled date of layoff. Prior notice of layoff to such employees is not required.

788

(g) Approval of Leaves: When an employee, or the Union, has been given notice of layoff, and the subject employee is subsequently laid off, any approved disability leave beginning on or after the date such notice was given shall not extend beyond the date the employee is scheduled for layoff.

789

(h) Expiration of Formal Sick Leave: If the Company grants an employee referenced in (f) above incremental sick leaves which extend for a continuous period of two (2) years and the employee is medically unable to return to work at that time, the employee will be terminated by release. Such employee will be placed in suspended medical recall status in accordance with the provisions of Section 7(h) below. The recall period of Section 4(e) above shall start on the original effective date of such expired sick leave.

(i) Out-of-Plant Assignments: Employees who become subject to layoff while on out-of-plant assignments, i.e., receiving per diem, will be returned from such assignment within ninety (90) working days to be processed for layoff. The period of eligibility for recall, as specified in Section 4(e) of this Article, shall commence on the date the employees would have been laid off had they not been on an out-of-plant assignment.

Section 7 – Recall

791

(a) Eligibility for Recall: For the purpose of this Article, a former employee is considered to have been recalled when notice of recall to the employee has been initiated in accordance with this Section. Subject to the provisions of 4(e) above, and (h) below, when adding to the work forces of an occupation in any one of the location groups defined in Section 6(a)(4)e. above, employees heretofore laid off or considered as laid off pursuant to Section 6(a)(4)b. or Section 6(f) in the classifications of such occupation and employees who accepted a transfer in lieu of layoff shall be recalled in order of their seniority if the available openings are in the classification(s) to which they possess recall rights.

792

(b) Refusal of Recall - Former Employee: Notification to the Seniority Department of the Company or location by a former employee that the employee does not elect to accept the recall to the employee's former classification within five (5) working days from date of postmark or meter date of notice of recall, shall cause loss of the employee's right to recall in the former classification, and to all other lower-rated classifications to which the employee possesses recall.

793

(c) Rehire in a Different Occupation: In the event an employee subject to recall is rehired in a different occupation included in the Bargaining Unit to which the employee has recall rights, the employee's seniority shall be credited at the time of rehire to the new occupation. Such employees shall not lose their right to recall in their former occupations by reason of their employment in a different occupation or by reason of termination for failure to meet work requirements in such different occupation.

794

(d) Failure to Accept Recall - Active Employee: In the event of failure to accept any recall offered within twenty-four (24) hours after notification, the employee shall lose recall rights to that classification and to all other lower-rated classifications to which the employee possesses recall.

(e) Termination From a Different Job: Any employee affected by a reduction in work forces who accepts a transfer and/or reclassification to another job in the 1578 Bargaining Unit, who is terminated for failure to meet work requirements in such different job, shall not lose recall rights to the employee's former classification by reason of such termination.

796

(f) Restricted Recall: Employees who refuse reclassification to a lower-rated classification of the same occupation as a result of a reduction in work forces, and former employees who refuse recall to a lower-rated classification of the same occupation, shall have the privilege of further recall restricted to the same classification (and "Group" in McDonnell Douglas Space Systems Company or McDonnell Douglas Electronic Systems Company-West) in which employed at time of layoff. Such refusal also shall cause loss of right to recall to all other lower-rated classifications to which the employee possesses recall.

797

(g) Suspended Recall: Former employees who are not available for reemployment because of employment (including military duty) outside the Bargaining Unit, or disability supported by evidence satisfactory to the Company, may suspend the privilege of recall upon written request to the Seniority Department provided such request is made in advance of actual recall as defined in (a) above. Such suspended recall(s) because of employment elsewhere shall be supported by evidence satisfactory to the Company and shall not exceed a total of one (1) year for each layoff period. At the end of one (1) year, such former employee shall be removed from suspended recall and be returned to active recall status. During the period of suspension of recall rights, such former employees will not be required to accept reemployment or forfeit further recall privileges. Former employees whose recall privileges have been suspended may reinstate such recall privileges upon the giving of five (5) working days notice in writing to such Seniority Department. The reinstatement of recall privileges shall not entitle former employees to displace employees with less seniority who were reclassified, promoted, recalled or hired during the interim in which their recall privileges were suspended. In no event shall this provision extend the privileges of recall beyond those set forth in Section 4(e) above, from the date of layoff.

798

(h) Recall - Temporary Medical Reject: Former employees who at the time of reporting to Employment for recall processing who temporarily fail to meet the medical requirements of the Company, shall be placed in the suspended recall file. To retain recall privileges, the former employee must maintain a mailing address and name change requirement as specified in Section 4(f) above and must notify the Company when the employee becomes available. Upon becoming available, such former employee will be entitled to recall to the next available opening, subject to the seniority provisions of the Agreement and provided the employee is otherwise qualified for the job opening.

(i) Right of Recall Retained While in Employment: The loss of seniority provision of Section 4(e) above, shall not apply to employees reclassified to another job in lieu of layoff so long as they remain continuously employed in the 1578 Bargaining Unit and shall not apply to employees or former employees who possess recall to other Bargaining Unit classifications at the time they reenter the Bargaining Unit.

799A

(j) Recall While on Out-of-Plant Assignments: Employees who become subject to recall and accept such recall while on out-of-plant assignments, i.e., receiving per diem, will be returned from such assignment within ninety (90) working days to be processed for recall to the appropriate classification.

799B

(k) Recall While on Foreign Assignments: Employees who become subject to recall while on foreign assignments outside the continental United States shall be offered such recall upon return. If recall is accepted, the recall shall be processed as soon as practicable.

799C

(l) Recall While on Leave of Absence: Employees who become subject to recall while on leave of absence due to disability shall be placed in suspended recall status until the expiration of, or their return from, such leave of absence.

799D

(m) Temporary Recall: When adding to the work forces of a classification and it is anticipated by the Company that the work requirement will exist for six (6) weeks, the Company may either recall in accordance with Section 7(a) above or offer former employees (those not currently employed in the McDonnell Douglas Corporation) with recall rights a temporary recall to their former classification. In the event the former employee does not elect to accept a temporary recall the former employee shall not lose the right of recall for that classification. Employees shall be telephoned in seniority order. If the employee has no telephone or there is no answer, the next employee shall be called and offered the temporary recall. Employees shall report to the Company's Employment Office on the next regularly scheduled workday after the offer is extended. If such recall should extend beyond the six (6) weeks, employees who possess recall rights shall be recalled in accordance with this Section and temporary recalls shall be laid off. Temporary recall shall not extend the original period of eligibility for recall as specified in Section 4(e) above and a temporarily recalled employee shall not be granted any of the promotional privileges allowed in Section 5 above. At the completion of a Temporary Recall assignment the employee will be laid off with no displacement rights.

Section 8 - Shift Transfers

799E

(a) The Company shall have the right to assign employees to any shift in accordance with production requirements. Subject to the preceding, and, so far as is consistent with operating necessity, senior employees shall be given preference in the same department over other employees, recalls, and new hires for placement in available jobs in their same classification of the occupation in which classified. An employee may have only one (1) shift transfer request on file at one time. Shift transfer requests must be in writing, for which the employee shall be given written acknowledgment when received by the Supervisor, and will be retained as active transfer requests for a period of one hundred and twenty (120) calendar days from date of receipt by the Company. These transfer requests must be on file for at least ten (10) working days to be considered under this Section. If renewed before expiration, the ten (10) working day period is waived. The new one hundred and twenty (120) calendar day period begins on the date of receipt by the Company. An employee whose application for shift transfer has been granted may not file a new shift transfer request for six (6) months. The preceding sentence shall not limit employees from filing a new shift transfer request if during the six (6) month period they were transferred to a different shift by reason of work needs or displacement procedure.

799F

(b) In order for the Company to effectively respond to the production requirements, such as support, launch, testing, etc., which involve the moving of its products from location to location, it is necessary for the Company to assign employees for a temporary period of time to its various locations. Therefore, in order to avoid shift transfer requests being granted for a temporary period, the Company will not be required to implement active transfer requests to fill positions into which employees are temporarily assigned at a location. Should the temporary assignment extend beyond ninety (90) calendar days, the Union may request the Company to review the requests on file to determine the propriety of filling such positions on a permanent basis.

Section 9 - General Provisions

799G

(a) Seniority During Periods of Approved Leaves of Absence: The seniority possessed by employees at the time they receive approved leaves of absence, granted in accordance with Article VIII, shall continue to accumulate during such approved leaves of absence for the time periods approved by the Company in accordance with Article VIII.

799H

(b) Retention Out of Seniority Order: By agreement between the Director-Labor Relations of the Company and the Union, in writing, persons may be retained, recalled, or hired without regard to the provisions of this Article.

(c) Disabilities: Any employee included within this Agreement who has been wholly or partially incapacitated for the employee's regular work by injury or illness, or by pregnancy, while in the employ of the Company, while so incapacitated, may be placed on available work which the employee can do without regard to the seniority provisions of this Agreement. Should such disability be of a temporary nature, such as will permit the employee to return to and perform the duties of the former classification, the employee shall retain and accumulate seniority in the former job. Should the nature of the employee's disability be permanent, such as will not permit the employee to return to perform the duties of the employee's classification, the employee's seniority shall be transferred to the new occupation.

ARTICLE VIII - LEAVES OF ABSENCE

Section 1 - Definitions

800

(a) Informal Leave of Absence: Informal leaves of absence are those for a period of four (4) consecutive workdays or less excluding the sixth (6th) and seventh (7th) days of an employee's workweek.

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Basis for Granting: Informal leaves of absence shall, if production requirements permit, be granted for good and sufficient reason, without pay, by submitting a request on a form supplied by the Company and receiving the approval of the employee's Supervisor prior to such absence. Any denial of an informal leave of absence may be appealed to the division Director - Human Resources or Designee.

802

(b) Formal Leave of Absence: Formal leaves of absence are those identified in Sections 2 through 8 of this Article which are granted to an employee for a period of more than four (4) consecutive workdays excluding the sixth (6th) and seventh (7th) days of an employee's workweek, who:

803

- (1) requests such a leave on a form supplied by the Company; and

804

- (2) has been continuously in the employ of the company for not less than ninety (90) calendar days following the employee's last start date without seniority except in the case of Disability Leave (Occupational/Non-Occupational) under Section 4 of this Article.

805

The effective date of such formal leave of absence shall be established from the first (1st) day of the employee's absence from work.

Section 2 - Personal Leave

806

(a) An employee who requests a personal leave of absence for good and sufficient reason, shall, if production requirements permit, be granted a leave of absence without pay for a period not to exceed twenty (20) consecutive workdays excluding the sixth (6th) and seventh (7th) day of the employee's workweek, upon written application to and receipt of written approval from the division Director - Human Resources and Department Head or their Designees, at least three (3) workdays prior to the requested date of such leave. The three (3) workday advance authorization will be waived in bona fide emergencies.

807

(b) For employees who have completed one (1) year of employment with the Company, as defined in Section 3(e)(1) of Article XII, supervision will authorize absences for personal business not to exceed five (5) days each calendar year, providing no more than one (1) such day shall be granted an employee during any thirty (30) day period. Such personal days may be taken in conjunction with holidays or vacation, provided notice is received at least one (1) work day prior to the requested day off. Whenever possible, employees requesting a personal business day not in conjunction with holidays or vacation should notify management by first (1st) break of the requested day off; employees must notify management on the day of their return to work in order for the day to be authorized as a personal business day. Time off under this Section shall not be used to defeat the provisions of Article III.

Section 3 - Military Reserve or National Guard Leave

808

Upon receipt of a copy of the employee's military orders, the Company will grant a leave of absence not to exceed thirty (30) calendar days in one (1) calendar year to an employee called to temporary active duty in the National Guard or the U.S. Armed Forces Reserve except where a longer period of leave is required by law. The ninety (90) calendar day requirement specified in Section 1(b) of this Article shall be waived in the case of a leave of absence for Military Reserve or National Guard service. Military Reserve service pay is governed by the provisions stated in Article XIV of this Agreement.

Section 4 - Disability Leave (Occupational/Non-Occupational)

809

An employee who becomes disabled due to illness, injury or pregnancy or an employee who suffers an occupational injury or an occupational disease, who makes a written claim of such disability to the division Director - Human Resources or Designee, which is supported by evidence satisfactory to the

Company on a form to be supplied by the Company shall be granted a formal leave of absence without pay effective the first (1st) day of absence from work. The ninety (90) calendar day requirement specified in Section 1(b) of this Article shall not apply to employees hired or recalled with seniority. Such leaves shall be granted by the Company for an original period of not more than sixty (60) calendar days which period shall be extended from time to time thereafter upon written request by the employee (accompanied by evidence satisfactory to the Company on a form to be supplied by the Company that such additional period is reasonably necessary) made to the division Director - Human Resources or Designee not later than the last day of any current leave of absence period, provided that no such leave of absence need be granted by the Company for any period in excess of twenty-six (26) weeks from the effective date of such leave. In unusual cases, the division Director - Human Resources or Designee may authorize up to seventy-eight (78) weeks of additional absence, but in no case will a leave of absence for disability be granted in excess of two (2) years.

Section 5 - Union Business Leave

810

(a) Election or appointment to an office of the Union shall be considered good and sufficient reason for obtaining a formal leave of absence without pay. Such employee or employees shall be given, upon written request from the President of the District Lodge to the Director - Labor Relations or Designee a leave of absence for a period of one (1) year. Annually, the President of the District Lodge will confirm in writing to the Company that individuals on Union-Business leaves are still holding their elective or appointive office in the Union. If so confirmed, the Company will continue such leave. The privilege granted in this Section shall be available to such Union officials as are agreed to by the parties.

811

(b) Upon the return of an employee who has been granted a leave of absence to conduct Union business, such employee shall be placed in the classification held immediately prior to the leave of absence, at the appropriate in-grade position in such classification, provided such employee's seniority standing at the time is such that under the provisions governing seniority at the time of return, the employee is entitled to the classification and provided the employee is qualified to perform the duties of the job, or of the job to which the employee displaces through exercise of seniority rights and privileges.

Section 6 - Election to Public Office Leave

812

(a) An employee elected to any full time federal, state or municipal public office shall, upon written request, be granted a formal leave of absence without pay for the period of the initial term of office. An extension of the leave of absence beyond this period may be granted by the Company upon written application by the employee.

(b) Upon expiration of such authorized leave, the employee shall be entitled to exercise seniority in the classification held immediately prior to election to public office in accordance with applicable contractual provisions in effect at the time of return.

Section 7 - Educational Leave

814

(a) Eligibility: An employee may, upon written request, be granted a formal leave of absence without pay to devote full time to education at an accredited college or university for courses related or generally related to the employee's work assignment.

815

(b) Proof of Enrollment: To qualify for such leave, the employee must submit sufficient proof of enrollment in the institution which offers such job-related education at least thirty (30) calendar days prior to the commencement of instruction.

(c)

816

(c) Duration: Such leave shall extend for the period of attendance or thirteen (13) months, whichever is the shorter. The Company may extend such leave upon written request where good and sufficient proof satisfactory to the Company is presented that such extension is for the purpose of continued attendance at the educational institution. In no case shall such leave extend beyond a total of twenty-two (22) months except as mutually agreed between the parties.

817

(d) Rights on Return: Upon expiration of such leave or termination of attendance, the employee shall be entitled to exercise seniority in the classification held immediately prior to such leave in accordance with applicable contractual provisions in effect at the time of return, provided the employee, within ten (10) calendar days after termination of such attendance notifies the Company in writing of intention to return to active employment within thirty (30) calendar days. Upon return, the employee shall be required to furnish good and sufficient evidence of the term of attendance at the institution.

818

(e) Change of Institution: Should an employee wish to change institutions during the term of such leave, the employee must notify the Company of such intent in writing with full and complete information relative to the new institution and the reasons for such change. Such leave will remain in effect only where the Company approves such change.

Section 8 - Peace Corps - VISTA Leave

819

(a) An employee who enters the Peace Corps or VISTA shall, upon written request, be granted a formal leave of absence without pay for the period of such service or twenty-five (25) months, whichever period is shorter.

820

(b) Upon expiration of such leave, the employee shall be entitled to exercise seniority in the classification held immediately prior to such leave in accordance with applicable contractual provisions in effect at the time of return, provided the employee, within ten (10) calendar days after termination of Peace Corps or VISTA service notifies the Company in writing of intention to return to active employment within thirty (30) calendar days of the termination of Peace Corps or VISTA service.

Section 9 - General

821

(a) Any employee going on leave of absence, regardless of the duration of such leave, whose wages are to be paid in full, shall be checked out through the tool crib and the identification badge shall be returned to Badge & Lock Services.

822

(b) No employee shall be granted a leave of absence for the purpose of accepting other employment or of engaging in any gainful occupation, and any leave of absence granted under any of the provisions of this Article shall automatically terminate if such employee, while on leave, accepts employment or engages in other gainful work without the knowledge and approval of the division Director - Human Resources, or designee. The Company agrees to notify the Union of any leave of absence granted for such purposes.

ARTICLE IX - WAGES

Section 1 - Definitions

900

When used in this Agreement the following terms and phrases shall mean:

901

(a) Wage Schedules: The Wage Schedules are hourly wage rate ranges for occupation and classification labor grades, and include the hourly wage rate ranges established in Section 2 of this Article, the occupations, classifications, classification code numbers, job descriptions and evaluations applicable to work being performed by employees in the Bargaining Unit, together with the Precepts and Principles and Glossary of Terms used in applying and administering such classifications, all of which are set forth in Appendix "A" attached hereto and made a part of this Agreement.

902

(b) Base Hourly Wage Rate Range: The labor grade wage rate range, established by the Wage Schedules, applied to a classification excluding all bonuses, adjustments or other pay additives such as shift premium, Cost-of-Living Adjustment, Lead pay, etc.

903

(c) Pure Base Rate: The Hourly Wage Rate of a rate range or of an employee, exclusive of all bonuses, adjustments or other pay additives such as shift premium, Cost-of-Living Adjustment, Lead pay, etc., (may be referred to as "base rate").

904

(d) Adjusted Base Rate: The Pure Base Rate plus the applicable Amount of Cost-of-Living Adjustment, if any.

905

(e) Working Rate: The Working Rate is an employee's base rate plus any differentials, premiums or additives.

906

(f) Amount of Cost-of-Living Adjustment: The applicable cents per hour change in the Cost-of-Living Allowance as determined from the BLS Consumer Price Index formula and schedule set forth in Section 7 (b) of this Article.

(g) Lead Pay: The pay given when an employee is authorized and classified to lead a group of employees as determined in the Lead description, for not less than a substantial portion of a standard workweek. The Lead Pay additive shall be one dollar (\$1.00) per hour over the maximum base rate of the highest paid classification of any employee in the group led. The additive will only be paid so long as he/she leads the work group.

Section 2 - Hourly Wage Rate Ranges

(a) For Labor Grades: Effective 28 October 2002, the pure base hourly wage rate ranges for labor grades in the Factory and Technical and Office wage schedules will be as follows:

<u>LABOR GRADE</u>	<u>FACTORY PURE BASE RATES</u>		<u>TECHNICAL & OFFICE PURE BASE RATES</u>	
	<u>MIN.</u>	<u>MAX.</u>	<u>MIN.</u>	<u>MAX.</u>
1	\$7.04	\$20.76	\$ 6.79	\$20.56
2	7.04	20.89	7.01	20.81
3	7.15	21.27	7.15	21.33
4	7.47	21.72	7.47	21.87
5	7.79	22.21	7.79	22.32
6	8.52	22.57	8.91	23.06
7	8.91	23.04	9.29	23.62
8	9.29	23.50	10.03	24.49
9	9.64	23.92	10.73	25.09
10	10.03	24.41	10.79	25.41
11	10.08	24.61	11.00	26.19
12	10.73	24.97	12.55	26.80
13	10.79	25.24	13.00	27.50
14	11.00	25.69	13.65	28.40
15	12.55	26.39		
16	13.00	27.16		
17	13.65	28.11		

(b) Effective 24 October 2003, the pure base hourly wage rate ranges for labor grades in the Factory and Technical and Office wage schedules will be as follows:

<u>LABOR GRADE</u>	<u>FACTORY PURE BASE RATES</u>		<u>TECHNICAL & OFFICE PURE BASE RATES</u>	
	<u>MIN.</u>	<u>MAX.</u>	<u>MIN.</u>	<u>MAX.</u>
1	\$ 7.04	\$21.18	\$ 6.79	\$20.97
2	7.04	21.31	7.01	21.23
3	7.15	21.70	7.15	21.76
4	7.47	22.15	7.47	22.31
5	7.79	22.65	7.79	22.77
6	8.52	23.02	8.91	23.52
7	8.91	23.50	9.29	24.09
8	9.29	23.97	10.03	24.98
9	9.64	24.40	10.73	25.59
10	10.03	24.90	10.79	25.92
11	10.08	25.10	11.00	26.71
12	10.73	25.47	12.55	27.34
13	10.79	25.74	13.00	28.05
14	11.00	26.20	13.65	28.97
15	12.55	26.92		
16	13.00	27.70		
17	13.65	28.67		

(c) Effective 22 October 2004, the pure base hourly wage rate ranges for labor grades in the Factory and Technical and Office wage schedules will be as follows:

LABOR GRADE	FACTORY PURE BASE RATES		TECHNICAL & OFFICE PURE BASE RATES	
	MIN.	MAX.	MIN.	MAX.
1	\$ 7.04	\$21.71	\$ 6.79	\$21.49
2	7.04	21.84	7.01	21.76
3	7.15	22.24	7.15	22.30
4	7.47	22.70	7.47	22.87
5	7.79	23.22	7.79	23.34
6	8.52	23.60	8.91	24.11
7	8.91	24.09	9.29	24.69
8	9.29	24.57	10.03	25.60
9	9.64	25.01	10.73	26.23
10	10.03	25.52	10.79	26.57
11	10.08	25.73	11.00	27.38
12	10.73	26.11	12.55	28.02
13	10.79	26.38	13.00	28.75
14	11.00	26.86	13.65	29.69
15	12.55	27.59		
16	13.00	28.39		
17	13.65	29.39		

Section 3 - Wage Rates of Employees

911

(a) The base hourly wage rate for any employee classified in one of the classifications in the Wage Schedules shall be a rate within the hourly wage rate range of the employee's classification; provided, no employee shall receive a reduction in the base rate as a result of the signing of this Agreement.

912

(b) The Company may adjust an employee's base wage rate upward, at any time, within the rate range of the classification. Adjustments or lack of, as a result of this procedure, are not subject to the provisions of Article VI of this Agreement.

Section 4 - Shift Premiums

913

(a) Second Shift: Employees working second (2nd) shift shall receive a premium of sixty-five cents (65¢) per hour.

914

(b) Third Shift: Employees working six and one-half (6 1/2) hour third (3rd) shift shall receive eight (8) hours pay including a premium of fourteen cents (14¢) per hour for working six and one-half (6 1/2) hours.

Section 5 - Non-Standard Workweek Premium

915

Employees voluntarily assigned to a non-standard workweek will be paid a premium as follows:

916

(a) One dollar (\$1.00) per hour if assigned to work both Saturday and Sunday as regular workdays in their non-standard workweek.

917

(b) Seventy-five cents (75¢) per hour if assigned to work Sunday as a regular workday in their non-standard workweek.

918

(c) Fifty cents (50¢) per hour if assigned to work Saturday as a regular workday in their non-standard workweek.

919

Employees having been voluntarily transferred to a non-standard workweek will be permitted to request a change in workweek after a period of six (6) months from the date of transfer.

Section 6 - Automatic Wage Progression

920

(a) Employees will advance to the maximum base rate of the classification at the rate of seventeen cents (17¢) per hour each fifteen (15) weeks of active work except as provided in (d) below. If at the time of an automatic wage increase, such employee's base rate is twenty-nine cents (29¢) or less from the maximum base rate of the classification, the increase will be the amount necessary to reach the maximum base rate of the classification.

921

(b) All increases will be effective on the first (1st) day of the pay week.

922

(c) For the purposes of automatic increases only, new hires and rehires working three (3) days of the pay week shall be considered as having started on the first day of the current pay week. New hires or rehires working two (2) or less days of a pay week shall be considered as having started on the first day of the following pay week.

923

(d) Any full pay week absence, excluding full pay week absences due to jury service, subpoenaed witness duty, military service (not to exceed thirty (30) calendar days), earned vacation, approved Union business leave of not more than one (1) full week or Company granted holidays, shall not count toward the accumulated time necessary for automatic wage increases.

924

(e) Recall from Layoff: Employees recalled from layoff status will return at their last active Pure Base Rate in the classification plus the same COLA additive they had at time of layoff. If COLA has been folded in during their layoff status, their last held COLA additive will be folded into their Pure Base Rate upon their return to active status.

925

(f) Return from Leave/Recall from Active Status: Employees returning to their former classification from authorized leave of absence and employees who are being recalled to their former classification from active status in another classification, will return at their last active Pure Base Rate in the classification plus the same Cost-of-Living Adjustments, General Wage Increases and skill adjustments that they would have received had they remained active in the classification to which they are returning.

926

(a) Basis for Determination: The amount of Cost-of-Living Allowance (COLA) shall be determined in accordance with changes in the Consumer Price Index, for Urban Wage Earners and Clerical Workers (United States City Average, All Items, 1982-84 = 100), published monthly by the Bureau of Labor Statistics, United States Department of Labor, and hereinafter referred to as the "BLS Consumer Price Index".

927

If the Bureau of Labor Statistics should change the form or the basis of calculating the BLS Consumer Price Index, the Company and the Union agree to meet to determine an appropriate index base and related COLA provisions. If agreement is not reached, the parties shall request the Bureau of Labor Statistics, to make available, for the remaining life of this Agreement, a monthly BLS Consumer Price Index in its present form and calculated on a comparable basis.

(b) Amount of Cost-of-Living Allowance:

928

- (1) Effective 1 November 2002, each Affected Employee's Cost-of-Living Allowance in effect 24 October 2002 will be incorporated into the Affected Employee's Pure Base Rate.

929

- (2) As a result of the COLA "fold-in" described in (1) above, the amount of COLA will be zero cents (0¢) per hour, after which the following new COLA provisions will begin.

930

(c) Adjustment Dates for Cost-of-Living Allowance: Adjustments in the Cost-of-Living Allowance will be made at the following times:

<u>Adjustment</u>	<u>Effective Date of Adjustment</u>	<u>Based on Three (3) Month Average* of the Consumer Price Index for:</u>
First	3 January 2003	September, October and November 2002
Second	11 April 2003	December 2002, January and February 2003
Third	4 July 2003	March, April and May 2003
Fourth	10 October 2003	June, July and August 2003
Fifth	2 January 2004	September, October and November 2003
Sixth	9 April 2004	December 2003, January and February 2004
Seventh	2 July 2004	March, April and May 2004
Eighth	8 October 2004	June, July and August 2004
Ninth	14 January 2005	September, October and November 2004
Tenth	8 April 2005	December 2004, January and February 2005
Eleventh (and Last)	1 July 2005	March, April and May 2005

*In determining the three (3) month average of the BLS Consumer Price Index for a specific period, the computed average shall be rounded to the nearest 0.1 Index point i.e., .05 and greater rounded upward, and less than .05 rounded downward.

932

(d) Cost-of-Living Formula: The amount of Cost-of-Living Allowance which shall be effective for any three-month period as provided above shall be based on the percent of increase between the three-month average and the Peg Point (176.2 or less = \$.00) with one-cent (\$.01) adjustment for each full 0.075% change in the average BLS Consumer Price Index for the appropriate three (3) month period indicated.

933

(e) New Employee COLA: Employees hired or rehired without seniority subsequent to a Cost-of-Living Adjustment date will be entitled to only those additional Cost-of-Living amounts which become effective subsequent to their date of hire.

934

(f) Determination of Adjusted Base Rate Ranges: On the dates specified in Sub-section (c) above, the applicable amount of Cost-of-Living Allowance will be added to the Pure Base Rate Ranges set forth in Section 2 of this Article to determine the new Adjusted Base Rate Ranges.

935

(g) Determination of Employee's Adjusted Base Rate: On the dates specified in Sub-section (c) above, the applicable amount of Cost-of-Living Allowance will be added to the Pure Base Rate of all employees covered by this Agreement to determine the new Adjusted Base Rate.

(h) Once any Cost-of-Living Adjustment has been implemented, no changes, retroactive or otherwise, shall be made because of any revision which may later be made in the published figures of the BLS Consumer Price Index.

Section 8 - Flight Pay Bonus

937

All hourly-paid employees shall be compensated for all time spent in flying when required to perform in-flight job duties of adjusting, recording and operating equipment on the airplane in which flying, or upon any part of the cargo of such airplane. Payment shall be at the rate of ten dollars (\$10.00) per hour. Such amount shall be in addition to earnings based on the employee's working rate. A minimum of one (1) hour's flight pay will be paid for the first (1st) ascension on any calendar day. For additional ascensions on the same calendar day, flight pay shall be at the rate specified above computed to the nearest fifth of an hour. The Company shall continue to provide blanket accidental death insurance coverage in the amount of two (2) times Annual Base Pay, with a \$50,000 minimum and a \$200,000 maximum per employee during flights required in the performance of the employee's job duties.

Section 9 - New and Revised Job Descriptions

938

(a) Existing Operations or Functions: When existing job descriptions no longer cover existing operations or functions, the Company may establish a new job description or revise an existing job description to properly cover such changed operations or functions. Within thirty (30) calendar days after placing such new or revised job description into effect, the Company shall submit to the Union by certified mail: (1) the Base Hourly Wage Rate Range for such classification, (2) the job description and (3) the date on which such new or revised classification was made effective and the names of the employees reclassified.

939

(b) New Operation or Function: Within six (6) months after any new type of machine has been placed in production use for the manufacture of its products, or new type of work has been placed in production operation by the Company, the Company shall submit to the Union by certified mail: (1) the Base Hourly Wage Rate Range for such classification, (2) the job description covering such new machine or new type of work and (3) the date on which such new classification was made effective and the names of the employees so classified.

940

The terms "production use" and "production operation", as used in this Section, shall exclude the period during which the machine or work was being developed or adapted for normal use.

(c) Notice(s) to the Company: The Union shall have the right within fifteen (15) calendar days after the Company submits the information in (a) and (b) above to notify the Company it wishes to discuss the Base Hourly Wage Rate Range assigned. Such timely notice(s) to the Company or notice(s) to the Union shall be submitted in writing by certified mail.

(d) Company Union Committee: If agreement cannot be reached as to the Base Hourly Wage Rate Range within fifteen (15) calendar days after the Company receives the Union's written request to discuss such rate range, the issue may be submitted by the Union for determination to a committee composed of two (2) Representatives of the Company and two (2) Representatives of the District President's staff.

(e) Submission to Arbitration: In the event the Company and Union Representatives are unable to reach an agreement within thirty (30) calendar days, through the process described in paragraph (d) above, it is agreed the matter may be submitted to arbitration to determine only the proper Base Hourly Wage Rate Range. The arbitration shall be in accordance with Section 3 of Article VI of this Agreement.

(f) Arbitration Determination: The Arbitrator will determine only the proper Base Hourly Wage Rate Range of the classification which shall be determined by comparing the work described in the new or revised job description with work described in other job descriptions within this Bargaining Unit, considering similarity of training, experience and skill requirements of each classification in total, with the objective of achieving equal pay for equal work within this Bargaining Unit.

(g) Effectivity of Base Hourly Wage Rate Range: The effective date of the applicability of the Base Hourly Wage Rate Range for any such new or revised classification, determined by the processes in any of the preceding paragraphs of this Section, shall be the date upon which such new or revised classification was made effective and the employees were reclassified. The Company will reclassify the employees performing such new or revised work to the new or revised classification.

Section 10 - General Wage Increases

946

(a) Affected Employee, as used in this wage section, during the initial year means an employee in the Bargaining Unit and in Active Service (not on layoff or on leave of absence) on 27 October 2002 and 28 October 2002. In all subsequent years of the contract, Affected Employee, as used in this wage section, means an employee in the Bargaining Unit and in Active Service (not on layoff or on leave of absence) on the effective date, and the day prior to an effective date, of a change. Employees who are on leave of absence on an effective date will have wage changes and appropriate reclassifications applied if and when they return to work.

947

(b) Second Year Increase: Effective 24 October 2003, the Pure Base Rate in effect on 23 October 2003 of each Affected Employee will be increased by two percent (2%) rounded to the nearest whole cent.

948

(c) Third Year Increase: Effective 22 October 2004, the Pure Base Rate in effect on 21 October 2004 of each Affected Employee will be increased by two and one-half percent (2.5%), rounded to the nearest whole cent.

Section 11 – Ratification Bonus

949

(a) Eligibility: Any Bargaining Unit employee is eligible to receive the payment described in the payment paragraph below provided such employee is either on the active payroll or on authorized leave of absence as of 28 October 2002.

950

(b) Payment: Not later than 28 November 2002, eligible employees will be entitled to receive a three thousand dollar (\$3,000) ratification bonus. In the first pay period of January, 2003, eligible employees will be entitled to receive a one thousand dollar (\$1,000) ratification bonus.

Section 12 – Severance Benefit – Applies to Huntington Beach (A3) Location Only

951

All affected employees who are on the active payroll until their scheduled layoff date will receive the following benefits:

952

- a) A Lump Sum Payment equal to two (2) weeks' pay based upon the employee's adjusted base rate, including Shift Premium and Lead Pay Additive if applicable.

953

- b) The Company will provide a lump sum cash payment equal to the Company's cost for six (6) months of medical and dental coverage to each employee who is on the active payroll on the date of layoff. The cash payment for each employee will be based on each employee's respective medical plan and dependent enrollment elections recorded in Company records on the date of layoff. Note: The cash payment is considered reportable income.

954

- c) This will be a one-time benefit provided to eligible employees for the duration of this Agreement. Any employee who previously has been provided a similar benefit is not eligible for the above.

Section 13 - Combined Classifications

955

Effective 15 November 2002, the following classifications will be combined (employees will advance in their new rate ranges through Automatic Wage Progression):

CURRENT			NEW		
Job Code	Classification Title	L/G	Job Code	Classification Title	L/G
P303	Calibration Specialist Physical	F17	P303	Calibration Specialist Physical	T14
9963	Standards Lab Specialist*	T14			

*Physical/Dimensional Skill

P383	Calibration Specialist E/E	F17	P383	Calibration Specialist E/E	T14
9963	Standards Lab Specialist**	T14			

**E/E Skill

Section 14 – Upgraded Classifications

956

Effective 15 November 2002, the following classifications will be upgraded:

CURRENT			NEW		
Job Code	Classification Title	L/G	Job Code	Classification Title	L/G
8853	Timekeeper	T07	8853	Timekeeper	T09
P753	Photographic Technician	T11/09	P753	Photographic Technician	T12
P823	M&P Analyst-Electrical/Electronic	T11	P823	M&P Analyst-Electrical/Electronic	T12
P833	M&P Analyst-Metallurgy	T11	P833	M&P Analyst-Metallurgy	T12
P843	M&P Analyst-Composites & Elastomers	T11	P843	M&P Analyst-Composite&Elastomers	T12
P853	M&P Analyst-Welding	T11	P853	M&P Analyst-Welding	T12
T373	Layout Typist	T08	T373	Layout Typist	T10

Section 15 - Deleted Classifications

957

Effective 15 November 2002, the following classifications will be deleted from the wage schedules. Included are jobs combined into new or revised classifications.

JOB CODE	CLASSIFICATION	L/G
9963	Standards Lab Specialist	T14

ARTICLE X - HEALTH AND WELFARE

Section 1 - Employee Retirement Income Plan

1000

Subject to required governmental approvals, the Employee Retirement Income Plan of McDonnell Douglas Corporation - Hourly West Plan will be amended to incorporate negotiated changes as summarized in the Company's offer letter of 23 October 2002. The Plan as so amended will continue in effect for the duration of this Agreement.

Section 2 - Health and Dental Care and Group Insurance

1001

For the duration of this Agreement, health and dental care and group insurance benefits will be as set forth in the Summary Plan Description, "Guide to Your Health and Dental Care, Life and Disability Benefits - Hourly Employees" as amended by Summaries of Material Modifications and provided to each covered employee. Negotiated changes summarized in the Company's offer letter dated 23 October 2002, shall be incorporated into the Summary Plan Description.

Section 3 - Employee Savings Plan

1002

Employee and Company contributions to the Employee Savings Plan of McDonnell Douglas Corporation - Hourly West Plan ceased as of 27 November 1988. (This Plan was replaced by the Employee Investment Plan effective 28 November 1988.) When the remaining assets and liabilities of the Plan have been merged with the Employee Investment Plan, Hourly West, and the Employee Retirement Income Plan, Hourly West as provided in the Company offer letter dated 23 October 2002, those plans will be amended to contain the benefits for the employees who have account values under the Employee Savings Plan.

Section 4 - Employee Investment Plan

1003

Subject to required governmental approvals, the Employee Investment Plan of McDonnell Douglas Corporation - Hourly West Plan will be amended to incorporate negotiated changes as summarized in the Company's offer letter of 23 October 2002. The Plan as so amended will continue in effect for the duration of this Agreement.

Section 5 - General

1004

- (a) The Company will amend the plans referenced in this Article X to incorporate legally required changes. As appropriate, Summaries of Material Modifications will be issued to inform all affected employees, former employees, retirees or their affected survivors of such required changes.

1005

- (b) The official plan text for Employee Retirement Income Plan, "Guide To Your Health and Dental Care, Life and Disability Benefits - Hourly Employees" and the official plan texts for the Savings and Investment plans, as from time-to-time amended and reissued, shall be incorporated in this Agreement as Appendices H, I, J. and K respectively.

ARTICLE XI - HOLIDAYS

Section 1 - Holidays Normally Granted

1100

Holidays During Period of Contract: The Company will normally grant time off on the following holidays during the term of this Agreement.

1101

Thanksgiving Day	Thursday	<u>28</u>	November	<u>2002</u>
Day after Thanksgiving	Friday	<u>29</u>	November	<u>2002</u>
Christmas Shutdown	<u>Tuesday</u>	<u>24</u>	December	<u>2002</u>
	<u>Wednesday</u>	<u>25</u>	December	<u>2002</u>
	<u>Thursday</u>	<u>26</u>	December	<u>2002</u>
	<u>Friday</u>	<u>27</u>	December	<u>2002</u>
	<u>Monday</u>	<u>30</u>	December	<u>2002</u>
	<u>Tuesday</u>	<u>31</u>	December	<u>2002</u>

1102

<u>New Year's Day</u>	<u>Wednesday</u>	<u>1</u>	<u>January</u>	<u>2003</u>
Memorial Day	Monday	<u>26</u>	May	<u>2003</u>
Independence Day	<u>Friday</u>	<u>4</u>	July	<u>2003</u>
Labor Day	Monday	<u>1</u>	September	<u>2003</u>
Thanksgiving Day	Thursday	<u>27</u>	November	<u>2003</u>
Day after Thanksgiving	Friday	<u>28</u>	November	<u>2003</u>
Christmas Shutdown	<u>Wednesday</u>	<u>24</u>	December	<u>2003</u>
	<u>Thursday</u>	<u>25</u>	December	<u>2003</u>
	<u>Friday</u>	<u>26</u>	December	<u>2003</u>
	<u>Monday</u>	<u>29</u>	December	<u>2003</u>
	<u>Tuesday</u>	<u>30</u>	December	<u>2003</u>
	<u>Wednesday</u>	<u>31</u>	December	<u>2003</u>

New Year's Day	<u>Thursday</u>	<u>1</u>	January	<u>2004</u>
Memorial Day	<u>Monday</u>	<u>31</u>	May	<u>2004</u>
Independence Day	<u>Monday</u>	<u>5</u>	July	<u>2004</u>
Labor Day	<u>Monday</u>	<u>6</u>	September	<u>2004</u>
Thanksgiving Day	<u>Thursday</u>	<u>25</u>	November	<u>2004</u>
Day after Thanksgiving	<u>Friday</u>	<u>26</u>	November	<u>2004</u>
Christmas Shutdown	<u>Friday</u>	<u>24</u>	December	<u>2004</u>
	<u>Monday</u>	<u>27</u>	December	<u>2004</u>
	<u>Tuesday</u>	<u>28</u>	December	<u>2004</u>
	<u>Wednesday</u>	<u>29</u>	December	<u>2004</u>
	<u>Thursday</u>	<u>30</u>	December	<u>2004</u>
	<u>Friday</u>	<u>31</u>	December	<u>2004</u>

New Year's Day	<u>Monday</u>	<u>3</u>	January	<u>2005</u>
Memorial Day	<u>Monday</u>	<u>30</u>	May	<u>2005</u>
Independence Day	<u>Monday</u>	<u>4</u>	July	<u>2005</u>
Labor Day	<u>Monday</u>	<u>5</u>	September	<u>2005</u>

Section 2 - Holiday Pay

(a) Eligibility For: Each employee on the Company payroll on the holiday to whom such holiday is granted shall receive one (1) day's pay, computed by multiplying such employee's normally scheduled hours of work (e.g., eight (8) for regularly scheduled first (1st) shift, six and one-half (6 1/2) for regularly scheduled six and one-half (6 1/2) hour third (3rd) shift) times the working rate in effect on the holiday, provided the employee has worked the workday immediately prior to or immediately following the holiday. To qualify for holiday pay for the Christmas Shutdown week, employees must work either the scheduled workday before the start of the Christmas week or the day after. In addition to the requirement to work the day prior or the day following a holiday(s), including the Christmas Shutdown, employees must be on the active Company payroll (not on formal leave status) on the day preceding any Company holiday(s), including the Christmas Shutdown except as provided in Section 2(a)(2) of this Article.

- (1) An employee laid off on the day before a recognized Company-paid holiday shall receive holiday pay for that holiday provided the employee has worked the workday immediately prior to the holiday.

1107

- (2) Time off for the following reasons, which is compensated for under the provisions of Article XIV, shall be considered as time worked for the purpose of qualifying for holiday pay:

1108

- a. Serving as a Petit, Coroner's or Federal Grand juror or as a Subpoenaed Witness.

1109

- b. Active duty as member of Military Reserve.

1110

- c. Bereavement/Funeral Leave.

(b) Holiday During Approved Vacation:

1111

- (1) Whenever a paid holiday occurs during an employee's approved vacation period, granted under the provisions of Article XII, or on the scheduled workday immediately prior to or immediately following such period, the employee shall receive the holiday pay provided for in Section 2(a) above.

1112

- (2) If a combination of vacation and leave of absence is taken consecutively, the days designated as vacation must be taken first and the days authorized as leave of absence must follow.

Section 3 - Work on Holidays

1113

(a) Amount of Pay for Holiday Work: Employees required to work on any of such holidays shall receive double time for work performed on any such holidays in addition to receiving holiday pay for the day. Any employee not notified at least forty (40) hours prior to the start of the employee's regular work shift on a holiday, that the employee is to work on such day, will not be required to work on such holidays.

1114

(b) When Required for Holiday Work: Employees required for essential maintenance duties shall not be granted time off for holidays; however, they shall be paid double time for work performed upon such holidays as provided in (a) of this Section. Any employee included within the intent of this paragraph not notified at least forty (40) hours prior to the start of the employee's regular shift on a holiday, that the employee is to work such day, will not be required to work on such holiday. Any essential maintenance employee required to work upon any such holiday who does not report to work shall not receive holiday pay as provided in Section 2(a) of this Article, unless a reason satisfactory to the Company for failure to report is given.

Section 4 - Definition of Holiday

1115

For the purpose of determining time off or computing premium time, a holiday for first (1st) and second (2nd) shift employees shall be a twenty-four (24) hour period commencing at the end of the regular second (2nd) shift (i.e., the second (2nd) shift hours to which the majority of employees are assigned) of the workday preceding the holiday; if an employee is assigned to an irregular second (2nd) shift, the holiday shall be a twenty-four (24) hour period commencing at the end of such employee's irregular second (2nd) shift on the preceding workday. For third (3rd) shift employees, a holiday shall be a twenty-four (24) hour period commencing at the start of such employee's regular shift on the employee's holiday.

ARTICLE XII - VACATION BENEFITS

Section 1 - Vacation Year and Computation Date

1200

The vacation years and computation dates shall be as follows:

<u>Begin Date</u>	<u>End Date</u>	<u>Pay Period</u>
<u>26 April 2002</u>	<u>24 April 2003</u>	<u>26</u>
<u>25 April 2003</u>	<u>22 April 2004</u>	<u>26</u>
<u>23 April 2004</u>	<u>21 April 2005</u>	<u>26</u>

Section 2 - Vacation Time Off

1201

(a) Amount of Time Off: When production requirements permit, each employee shall be entitled to receive, at the employee's option, vacation time off only during the vacation year immediately following the computation date as follows:

1202

- (1) Four Weeks' Vacation: Up to four (4) weeks, if the employee receives additional vacation pay under Section 3(c) of this Article.

1203

- (2) Three Weeks' Vacation: Up to three (3) weeks, if the employee receives additional vacation pay under Section 3(b) of this Article.

1204

- (3) Two Weeks' Vacation: Up to two (2) weeks, if on the computation date the employee was eligible for basic vacation pay in an amount at least forty (40) (thirty-two and one-half (32 1/2) in the case of an employee on a six and one-half (6 1/2) hour third (3rd) shift) times the rate in effect as of the computation date.

- (4) One Week Vacation: Up to one (1) week, if on the computation date the employee was eligible for basic vacation pay in an amount less than forty (40) (thirty-two and one-half (32 1/2) in the case of an employee on a six and one-half (6 1/2) hour third (3rd) shift) times the rate in effect as of the computation date.

- (b) Effect of Holiday Falling During Vacation: If any of the holidays provided for in Article XI fall during an employee's approved vacation time off period, such days shall not count as a vacation day.

- (c) Vacation Time Off: The parties agree to the principle that vacation time off is essential to the employee's health and relaxation and to the welfare of the employee's family.

It is understood that employees may request time off of their choice, but all requests may not be granted if an unreasonable number of employees request the same vacation period. Those whose requests cannot be granted may request another period of their choice. Vacation days earned prior to the next vacation computation date, not to exceed two (2) weeks, may be banked for use during the next Vacation Year. Such vacation time off may be taken separately or in conjunction with regular vacation; however, any single period of continuous vacation may not exceed the period of entitlement set forth in Section 2(a) above unless specifically authorized by the supervisor.

- (d) Vacation Scheduling: When approving time off, preference will be given senior employees whose Vacation Authorization forms have been received by Supervision no more than ninety (90) nor less than thirty (30) calendar days prior to the proposed start of vacation. Vacation requests received after the thirty (30) calendar days will only be approved on the basis of production requirements. Prior approved vacations will not be canceled as a result of requests filed less than thirty (30) calendar days prior to the proposed start of vacation.

- (e) For employees eligible for vacation time off as provided for in this Section, supervision shall, production needs permitting, authorize absences, on a single day basis or four (4) hour basis, to be charged against the employee's remaining vacation hours, provided that request by the employee for such time off are received by supervision at least one (1) work day prior to the requested day off. Vacation may be taken in four (4) hour increments up to a maximum of five (5) days in any one (1) vacation computation year. Time off under this Section shall not be used to defeat the provisions of Article III.

Section 3 - Vacation Pay

(a) Basic Vacation Pay:

1211

- (1) Eligibility For: Employees who have completed six (6) months of employment with the Company shall be eligible for basic vacation pay.

1212

- (2) Amount Of: An employee eligible for basic vacation pay, who is on the payroll on the computation date, shall receive, as basic vacation pay, an amount equal to four percent (4%) of the total compensation (as defined in Section 3(e)(4) of this Article) paid by the Company to such employee during the period since the last preceding computation date or start date, whichever is later.

(b) Additional Vacation Pay - Ten Years of Employment:

1213

- (1) Eligibility For: Employees who have completed ten (10) years of employment with the Company shall be eligible for additional vacation pay.

1214

- (2) Amount Of: An employee eligible for additional vacation pay, who is on the payroll on the computation date, shall receive, as additional vacation pay, an amount equal to two percent (2%) of the total compensation (as defined in Section 3(e)(4) of this Article) paid by the Company to such employee since the last computation date, start date, or since completion of ten (10) years of employment, whichever of such three (3) dates occurs later.

(c) Additional Vacation Pay - Twenty Years of Employment:

1215

- (1) Eligibility For: Employees who have completed twenty (20) years of employment with the Company shall be eligible for additional vacation pay beyond that provided in Sub-sections (a) and (b) above.

1216

- (2) Amount Of: An employee eligible for such additional vacation pay who is on the payroll on the computation date, shall receive as additional vacation pay an amount equal to two percent (2%) of the total compensation (as defined in Section 3(e)(4) of this Article) paid by the Company to such employee since the last computation date, start date, or since completion of twenty (20) years of employment, whichever of such three (3) dates occurs later.

(d) Time of Payment:

1217

- (1) To Employees Eligible on Computation Date: Within thirty (30) calendar days after the computation date, basic and additional vacation pay shall be paid to all eligible employees who were on the payroll on the computation date.

1218

- (2) To Employees Not Eligible on Computation Date: Any employee on the payroll as of a computation date, who is not eligible for basic vacation pay, shall receive basic vacation pay computed up to said computation date, as if such employee had been eligible on such computation date, as soon as practicable after completion of six (6) months of employment, as defined in this Article, provided the employment is unbroken from such computation date to the date of completing such six (6) months of employment.

(e) General Provisions:

1219

- (1) Employment with the Company, when used in connection with vacation pay, vacation time off or sick leave pay, means:

1220

- a. All time reflected on the Company's payroll.

1221

- b. Time between termination of employment with the Company in order to enter the Armed Forces and reemployment with the Company in accordance with the provisions of the Military Selective Service Act of 1967, as amended, and related reemployment statutes.

1222

- (2) Credit for Rehires: An employee who (a) is laid off; (b) quits as a result of employee's refusal to accept a transfer to another Location or Company of the Corporation at Company request; or (c) is released as defined below; who did not qualify for vacation pay under Sections 3 or 4 of this Article and who rehires before the next computation date, will receive credit for compensation paid up to the date of such termination.

1223

- (3) Release: When used in this Agreement means a nondisciplinary termination for failure to meet requirements of employment.

- (4) Compensation: When used in this Agreement in connection with vacation or sick leave pay, means wages and all other remuneration (excluding payments under Patent contracts, and the Company Suggestion and Scholarship Plans and relocation allowances).

Section 4 - Pro Rata Vacation Pay

1225

(a) Eligibility to Receive: Employees shall be eligible to receive pro rata vacation pay in the following circumstances only:

1226

- (1) When an employee, eligible under the provisions of Section 3(a), (b) or (c) above: (a) is laid off; (b) quits as a result of employee's refusal to accept a transfer to another Location or Company of the Corporation at Company request; (c) retires under the Company Pension Plan; (d) is released as defined above; or (e) is terminated upon death.

1227

- (2) When an employee is transferred to another Company of the Corporation involving a change of location, irrespective of eligibility under Section 3(a), (b) or (c) above.

1228

- (3) When employees terminate to enter the Armed Services, voluntarily or otherwise, and irrespective of eligibility under Section 3(a), (b) or (c) above, provided they actually enter a branch of the Armed Services within sixty (60) calendar days after termination of employment and present to the Company within a reasonable period of time after termination of employment proof of entry into the Armed Services. In the event such an employee is rejected for military service on account of failure to pass the Armed Services' physical examination, and presents to the Company within a reasonable period of time after termination of employment proof of such rejection, such employee shall be eligible for pro rata vacation pay under this Section.

1229

(b) Amount of Pro Rata Vacation Pay: Pro rata vacation pay shall consist of basic vacation pay (computed under Section 3(a) above) and additional vacation pay, if any (computed, as provided in and for those eligible, under Section 3(b) and (c) above), as of the date of termination.

1230

(c) Time of Payment: Within a reasonable time following termination or transfer, pro rata vacation pay shall be mailed by the Company to the employee at the address supplied by the employee at the time of termination or transfer.

ARTICLE XIII - SICK LEAVE PAY

Section 1 - Computation

1300

As of the vacation computation date, each employee on the payroll on said date, who has completed one (1) year of employment with the Company, as defined in Section 3(e)(1) of Article XII, shall be entitled, as sick leave pay, to two percent (2%) of all compensation (as defined in Section 3(e)(4) of Article XII) paid by the Company to such employee since completion of one (1) year of employment, or the last vacation computation date or last start date, whichever of such three (3) dates occurs later.

Section 2 - Time of Payment

1301

Sick leave pay shall be paid within thirty (30) calendar days after the vacation computation date to all employees who were on the payroll on the computation date and who become entitled to sick leave pay under this Article.

Section 3 - Pro Rata Sick Leave Pay

1302

Any employee who has completed one (1) year of employment and who is eligible for pro rata vacation pay shall receive pro rata sick leave pay computed in the same manner provided in Section 1 above. Any such pro rata sick leave pay shall be paid at the same time as pro rata vacation pay.

ARTICLE XIV - HOURS AND OVERTIME

Section 1 - Definition of Workday and Workweek

1400

(a) Workday: A workday is one of the five (5) workdays in a standard workweek. The workday shall begin each calendar day at the regular starting time of the employee's assigned shift and end twenty-four (24) consecutive hours later.

1401

(b) Standard Workweek: For the purpose of computing overtime pay of each employee in a standard workweek, the standard workweek shall consist of seven (7) consecutive twenty-four (24) hour days beginning at the regular starting time on Friday and extending through Thursday.

1402

(c) Pay Week: The pay week shall consist of seven (7) consecutive days beginning with Friday and extending through Thursday.

1403

(d) Pay Period: The pay period shall consist of two (2) consecutive pay weeks beginning with Friday of the first pay week and extending through Thursday of the second pay week.

1404

(c) Nonstandard Workweek: A nonstandard workweek shall consist of five (5) consecutive workdays beginning on any day other than Friday. No employee shall be assigned to a non-standard workweek except on a voluntary basis. If so assigned, overtime pay shall be computed in the manner provided in Section 4 of this Article, except that such employee's workweek will begin at the regular starting time of the employee's assigned shift on the first (1st) day of the employee's workweek rather than Friday. Any change in an employee's workweek will not affect the computation of overtime or premium pay in the overlapping period.

Section 2 - Shift Hours

1405

(a) Shift hours of employees in the Bargaining Unit shall be either:
First (1st) Shift: Seven-thirty (7:30) a.m. to
four (4:00) p.m.

Second (2nd) Shift: Four (4:00) p.m. to
twelve-thirty (12:30) a.m.

Third (3rd) Shift: Twelve-thirty (12:30) a.m. to
seven-thirty (7:30) a.m.

or

First (1st) Shift: Eight (8:00) a.m. to
four forty-two (4:42) p.m.

Second (2nd) Shift: Four forty-two (4:42) p.m. to
one-twelve (1:12) a.m.

Third (3rd) Shift: One (1:00) a.m. to
eight (8:00) a.m.

1406

(b) The Company may make changes in the starting and stopping time of the above shifts to which one (1) or more employees in the Bargaining Unit are assigned provided that such changes do not result in shift hours being moved forward for more than one and one half (1.5) hours or back for more than one and one half (1.5) hours. Any change of more than one and one half (1.5) hours backward or one and one half (1.5) hours forward shall be made by mutual agreement between the Company and the Union. At least two (2) working days notice will be given to employees by the Company of any change in the starting and stopping time of shifts. The Company may change the stopping time to accommodate for the duration of any lunch period to which the employee may be assigned.

1407

(c) The above provisions do not apply to employees in the Communications-Telephone Department.

Section 3 - Overtime Work

1408

(a) As to Employees in Maintenance Departments: Work on an employee's sixth (6th) and seventh (7th) workdays shall be on an involuntary basis for all employees in the maintenance departments in the Bargaining Unit.

1409

(b) As to All Other Employees: Except as provided in paragraph (a) of this Section, work shall be voluntary on an employee's seventh (7th) workday. Work shall be voluntary on an employee's sixth (6th) workday, unless the Company notifies the employee at least forty (40) hours prior to the start of the regular work shift on the sixth (6th) workday on which assigned to work.

1410

(c) Rotation of Overtime: Overtime work shall first be offered to employees on a rotation basis within a classification among qualified employees in the department and on the shift where such overtime work is to be performed. In the event additional employees are required to perform such overtime work, the Company will select employees from other departments in the classification required to perform such overtime work. Such selection shall be in order from such other departments' rotation lists. The parties agree during the term of this Agreement to develop special agreements in departments wherever practicable. Any such special agreements shall govern the distribution of overtime work.

1411

(d) Equalization of Overtime: Based on changing work needs, or methods of manufacturing, the Company or the Union may wish to equalize overtime opportunities. Should such be the case, the Company and the Union shall establish, by mutual consent, written equalization of overtime agreement(s). No equalization agreement(s) shall be implemented by the Company without consent of the Union.

Section 4 - Overtime or Premium Pay

1412

(a) Double Time Pay: Double time (i.e., two (2) times working rate) shall be paid for each hour worked as provided in this Sub-section:

- (1) Second Day of Rest (Sunday): Each employee shall be paid double time for all hours worked on the second (2nd) day of rest, as such, in the employee's workweek. For the purpose of this provision, the second (2nd) day of rest, as such, for the first (1st) and second (2nd) shift employees shall be a twenty-four (24) hour period commencing at the end of the regular second (2nd) shift (i.e., the second (2nd) shift hours following the first (1st) scheduled day of rest in the employee's workweek), unless the employee is assigned to an irregular second (2nd) shift. In such case, the second (2nd) day of rest, as such, shall be a twenty-four (24) hour period commencing at the end of such employee's irregular second (2nd) shift on the first (1st) day of rest in the employee's workweek. For third (3rd) shift employees the second (2nd) day of rest, as such, shall be the employee's second (2nd) day of rest in the employee's workweek.

1414

- (2) Holiday: Each employee shall be paid double time for all hours worked on any holiday granted under the provisions of Article XI in addition to receiving holiday pay as provided in Article XI, Section 2(a). Where employees work into the holiday as an extension of their regular assigned shift on the workday preceding the holiday, work performed within the holiday period defined in Section 4 of Article XI as an extension of such regular shift, will be paid at double time and such payment will not be deducted from the employee's holiday pay granted under Article XI, Section 2(a).

1415

- (b) Time and One-Half Pay: Time and one-half (i.e., one and one-half (1 1/2) times working rate) for each hour worked as provided in this Sub-section:

1416

- (1) First Day of Rest (Saturday): Time and one-half shall be paid to each employee for all hours worked on the first (1st) day of rest, as such, in the employee's workweek, provided he/she has worked at least forty (40) straight time (non-premium) paid hours during the scheduled workweek in which the overtime work is performed. For purposes of computing overtime or premium pay, the following shall be considered as time worked: approved vacation, personal days in accordance with Article VIII, Section 2(b), holidays, jury duty or subpoenaed witness duty, military reserve or national guard leave, bereavement/funeral leave and authorized time off for union business (Article IV, Section 6).

- (2) Daily Overtime: Employees working on first (1st) and second (2nd) shifts shall be paid time and one-half for all hours worked in excess of eight (8) in any one (1) workday or forty (40) hours in any one (1) workweek. Employees working on third (3rd) shifts of six and one-half (6 1/2) hours shall be paid time and one-half for hours worked in excess of six and one-half (6 1/2) hours in any one (1) workday or thirty-two and one-half (32 1/2) hours in any one (1) workweek. The overtime compensation of third (3rd) shift employees regularly assigned to six and one-half (6 1/2) hour shifts shall be computed in accordance with the following formula:

$$\begin{aligned} &1 \frac{1}{2} \times \text{working rate} \\ &\text{which is} \\ &8 \times \text{working rate} : 6 \frac{1}{2} \end{aligned}$$

1418

- (3) Pre-shift Hours on Mondays and Days Immediately Following Holidays: Employees working pre-shift hours on Mondays and pre-shift hours on the day immediately following Company granted paid holiday(s) shall be paid time and one-half for such hours.

(c) General Rules Pertaining to Computation of Overtime Pay:

1419

- (1) Time Off for Union Business: Time off for Union business as described in Article IV, Section 6, shall be counted as time worked for the purpose of computing overtime.

1420

- (2) Pyramiding of Rates: Overtime or premium rates shall not be pyramided on any workday.

1421

- (3) Holidays: Whenever one of the holidays specified in Article XI falls on a regularly scheduled plant workday and the holiday is granted, such day shall be considered as a day worked for the purpose of computing overtime pay.

1422

- (4) Approved Vacation Time Off: Approved vacation time off as described in Article XII, Section 2, shall be counted as time worked for the purpose of computing daily overtime.

Section 5 - Report Time Pay

1423

The provisions of this Section shall apply to work during the hours of an employee's regularly assigned shift on the first five (5) days of the employee's workweek and, when assigned overtime work on the first (1st) or second (2nd) day of rest of the employee's workweek, to any work on such first (1st) or second (2nd) day of rest.

1424

(a) Applicable to First Five Days of Workweek: Any employee ordered to report to work and so reporting on the first five (5) days of the employee's workweek shall receive a minimum of four (4) hours work or four (4) hours pay.

1425

(b) Applicable to First and Second Days of Rest: Where work is assigned to an employee on either the employee's first (1st) or second (2nd) day of rest, or both, and the employee has not been notified of cancellation of such work at least one (1) hour prior to its start, and the employee reports to work, the employee shall receive payment whether or not work is actually available, at the applicable overtime premium rate; provided that if no work is available or if the hours actually worked are less than four (4), the employee shall receive four (4) hours pay at the applicable overtime premium rate.

1426

(c) Notice to Report: When notice not to report on the employee's next regularly scheduled work shift has not been given prior to the end of the employee's regular shift, the employee shall be considered as ordered to report. In the event notice is given by, or at the end of the shift, any employee who has left the plant prior to the time notice was given, or who was absent the entire shift, shall not receive report time pay if the employee reports to work at the employee's next regularly scheduled shift by reason of not having received such notice.

1427

(d) Emergency Shutdown: The provisions of this Section 5 shall not apply in cases of emergency shutdown arising out of a condition beyond the Company's control.

Section 6 - Call-Back Time

1428

Whenever an employee is called back for special or emergency work (i.e., work at a time outside of the hours of the employee's regularly assigned shift on the first five (5) days of the employee's workweek, except it does not include pre-shift or post-shift overtime work that is immediately preceding or following the employee's regularly assigned shift) or work on the employee's first (1st) or second (2nd) day of rest not covered by Section 5, the employee shall receive a minimum of four (4) hours work or four (4) hours pay. In computing such pay, hours not worked shall be considered as straight-time hours, and hours worked shall be considered as straight-time hours or overtime hours, whichever is applicable under the provisions of this Article.

Section 7 - Computation of Time

1429

All time worked shall be calculated and paid for in units of six (6) minutes duration, that is, tenths of hours, beginning on the hour. Fractions of such units shall not be counted.

Section 8 - Pay Day

1430

Employees on all shifts shall be paid on Thursday for work performed during the previous pay period. When a Company designated holiday falls on Thursday, pay checks will be dated Wednesday: direct deposit funds will be deposited on that Wednesday and pay checks will be mailed to the employee's address of record.

Section 9 - Rest Periods

1431

Existing rest periods of ten (10) minutes duration each shall be continued for the duration of this Agreement.

Section 10 - Hours and Overtime Practices at White Sands and Edwards AFB Missile Test Site

1432

Existing rules and regulations pertaining to the hours and overtime schedules of employees assigned to the White Sands and Edwards Air Force Base Missile Test Site Locations shall be continued for the duration of this Agreement except as to changes which may be mutually agreed upon between the parties.

Section 11 - Pay for Jury or Subpoenaed Witness Duty

1433

When an employee is absent from work in order to serve as a Petit, Coroner's or a Federal Grand juror or to report to the court in person in response to a jury duty summons or to report for jury examination or to comply with a subpoena as a witness in a federal or state court of law in the state in which the employee is working or residing, the employee shall be granted pay for those hours for which the employee is absent from work during the employee's regular eight (8) hour day or regular five (5) day workweek.

1434

(a) Pay for such work time lost shall not exceed, for any one (1) employee, a total of twenty (20) regular eight (8) hour workdays in any one (1) calendar year. Pay for such work time lost shall be computed at the employee's regular working rate exclusive of any premium for overtime. In no case will payment be made for jury or subpoenaed witness duty performed on the sixth (6th) or seventh (7th) day of an employee's regular assigned workweek or for hours in excess of the employee's regular eight (8) hour workday or for jury or subpoenaed witness duty while the employee is on layoff or authorized vacation or leave of absence.

1435

(b) If an employee assigned to the second (2nd) shift is absent from work on such shift on the calendar day that the employee serves as a juror or subpoenaed witness, such absence shall be deemed to be an absence from work in order to serve as a juror or subpoenaed witness.

1436

(c) If a third (3rd) shift employee serves on jury duty or as a subpoenaed witness, absence on the next regularly scheduled assigned (Friday through Thursday) shift following the day of service will be counted for jury or subpoenaed witness duty pay purposes.

1437

(d) Partial day absence for which the Company pays jury or subpoenaed witness duty pay shall count as time worked when computing daily overtime.

1438

(e) For purposes of qualifying for holiday pay in accordance with the terms of Article XI, Company-paid jury or subpoenaed witness time on a day that immediately precedes or immediately follows the holiday shall not be considered as an absence.

(f) Pay for work time lost by employees who must report for jury examination will be paid only when they cannot report for such examination outside of their regular shift hours. To receive pay for work time lost, an employee must promptly provide the supervisor with a copy of the jury service summons or properly served subpoena and the Company may, if it so desires, request the Jury Commissioner or Court to excuse employee from such duty. If the employee is so excused, the Company shall not be required to pay jury or subpoenaed witness pay under the provisions of this Section.

1440

(g) An employee shall not be entitled to receive subpoenaed witness duty pay where the employee (a) is called as a witness against the Company or its interests; or (b) is called as a witness on the employee's own behalf in an action in which the employee is a party; or (c) voluntarily seeks to testify as a witness; or (d) is a witness in a case arising from or related to the employee's outside employment or outside business activities.

Section 12 - Bereavement/Funeral Leave Pay

1441

When a death occurs in an employee's immediate family (spouse, mother, father, step-parent, sister, step-sister, half-sister, brother, step-brother, half-brother, daughter, son, step-child, grandmother, grandfather, grandchild, spouse's mother or father, spouse's grandmother or grandfather), the employee will be paid funeral pay for time lost for no more than three (3) consecutive standard working days immediately prior to, including and/or following the day of the funeral. No Funeral Leave pay shall be paid for the sixth (6th) or seventh (7th) day in the employee's workweek nor for any day the employee receives other pay, e.g., Holiday pay, Jury or Subpoenaed Witness Duty pay, or Military Reserve payment. Those days for which the employee receives other pay, excluding Christmas Shutdown days, shall not be considered as interruptions of the period of consecutive standard working days. Before payment can be made, written verification of date of funeral and relationship of the employee to the deceased may be required by the cognizant division Director – People or Designee.

Section 13 - Military Reserve Service Pay

1442

An employee with seniority who is called to and performs short-time active duty of thirty (30) calendar days or less, including annual active duty for training, as a member of the United States Armed Forces Reserve or National Guard, shall be paid as provided below for days spent performing such duty provided the employee would not otherwise be on layoff or leave of absence.

(a) The employee will be paid the amount of straight time pay the employee would have otherwise been paid by the Company during the first ten (10) working days of such period or portion thereof of each calendar year that the employee is called to such duty less military pay earned during the fourteen (14) calendar days starting with the first (1st) day of such service. Military pay is defined as all military earnings including all allowances except for rations, subsistence, and travel.

(b) In order to receive payment under this Section, an employee must give Human Resources prior notice of such military duty and, upon return to work, furnish Human Resources with a statement of the military pay received for performing such duty.

ARTICLE XV – INVENTIONS

Section 1 – Execution of The Boeing Company and Subsidiaries Proprietary Information and Invention Agreement a Condition of Employment

1500

Each employee covered by this Agreement shall, as a condition of employment with the Company, execute and deliver to the Company, the Proprietary Information and Invention Agreement, Form F7 1000 0015 NEW (21 DEC 1999) (Appendix “C-2”), within thirty (30) calendar days from the effective date of this Agreement. Notwithstanding the requirement above, any employee covered by this Agreement who has previously executed and delivered to the Company a McDonnell Douglas Corporation Patent Contract (Form MDC 136-3) shall not be required to also execute the Proprietary Information and Invention Agreement. Any employee subsequently hired or transferred into this Bargaining Unit shall, at time of hire or transfer, execute and deliver to the Company the Proprietary Information and Invention Agreement.

Section 2 – Invention Awards

1501

The provisions of The Invention Award Plan set forth in Company Procedure PRO-1944 (Issue Date: October 20, 2000), made a part hereof as Appendix “C-1”, shall determine the eligibility for and the amount of any invention awards made to any employee covered by this Agreement.

Section 3 – Grievances Concerning the Invention Award Plan and the Proprietary Information and Invention Agreement

1502

Grievances or disputes of employees concerning the Invention Award Plan or the Proprietary Information and Invention Agreement may be adjusted under the provisions of Section 2 of Article VI of this Agreement, but any such grievance shall not be subject to arbitration under the provisions of Section 3 of said Article VI.

1503

It is recognized that resort to such Grievance Procedure by an employee shall in no way limit, affect, or prejudice any cause of action arising out of such Invention Award Plan or Proprietary Information and Invention Agreement.

ARTICLE XVI - SAFETY AND HEALTH

Section 1 - Safety Policy

1600

It is the desire of the parties to this Agreement to maintain high standards of safety in order to eliminate, as far as possible, occupational injuries and illnesses. The Company agrees to abide by and maintain in its plant standards of sanitation, safety and health in accordance with Federal, State, County and City laws and regulations issued in pursuance thereof.

Section 2 - Safety Devices and Personal Protective Equipment

1601

(a) Necessary safety devices shall be furnished by the Company. Whenever safety devices are required by the Company, it shall be mandatory for employees to use them.

1602

(b) The Company will continue to furnish personal protective equipment in particular situations where it is now the practice to do so unless circumstances in such situations change, making the use of such personal protective equipment unnecessary. Whenever personal protective equipment is required by the Company, it shall be mandatory for employees to wear such equipment.

Section 3 - Employee's Refusal to Work on Account of Alleged Unsafe Condition

1603

(a) No employee shall be discharged or disciplined for refusing to work on a job or a machine if the refusal is based upon employee's written claim that said job or machine is not safe or will endanger the employee's health until it has been determined that the job or machine is or has been made safe or will not unduly endanger the employee's health. Pending the determination, as set forth in Sub-section (b) of this Section, the complaining employee shall be transferred to other available comparable work which the employee is qualified to perform regardless of the seniority provisions of Article VII. When it has been determined that the job or machine is or has been made safe, the employee shall be returned to such job. Then if the employee continues to refuse to work after the job or machine is determined to be safe, the employee shall be subject to discharge or other disciplinary action. The Company shall have available appropriate Refusal to Work forms in each divisional Human Resources office and in Safety Department offices.

(b) Determination of Safe Condition: The determination required by paragraph (a) of this Section shall be made jointly by the Company's Safety Engineer and a Union Safety Committee member. If they are unable to agree, the determination shall be made by a Representative of the Consulting Service of the California Division of Industrial Safety.

Section 4 - Safety Report Forms

The Company shall have available at all times in each department and in the Human Resource Centers, a supply of Safety Report Forms for use by employees in reporting alleged unsafe conditions or needed safety corrections in their department. This form and not the Grievance and Arbitration procedure shall be used for safety complaints and requests for corrections relative to safety conditions. One (1) copy of such form shall be sent to the Company Safety Supervisor, one (1) copy to the Director - Labor Relations, one (1) copy to the President of the District Lodge, one (1) copy to a designated Union member of the Safety Committee, and one (1) copy shall be retained in the files of the employee's department. Upon receipt of a copy of such report, the designated Union member of the Safety Committee, if the member feels the matter requires investigation, shall request of Human Resources that an investigation be made. Human Resources shall thereupon call in the Safety Engineer. If the Safety Engineer decides that an investigation is warranted, the Safety Engineer and the designated Union member of the Safety Committee shall investigate jointly the matter under review. If the Safety Engineer feels that an investigation is not warranted, the Safety Engineer shall so advise the Union member, together with the reasons for the decision. Upon disposition of the employee's Safety Report, a copy of the response will be forwarded to the employee by the Safety Department.

ARTICLE XVII - SABOTAGE

1700

The Union agrees to report to the Security Investigations Department of the Company any acts of sabotage or damage to, or the taking of Company, government, customer or any other person's or employee's property, and the Union further agrees, if any such acts occur, to use its best efforts in assisting to determine and apprehend the guilty person.

ARTICLE XVIII - SECURITY REGULATIONS

Section 1 - Effect of Denial of Access

1800

Nothing in this Agreement shall require the Company to employ or to continue in its employment, or to give access to any plant, factory or site, any person or persons to whom either the Secretary of Defense, or the Secretary of the Army, or the Navy or the Air Forces, or any of their duly authorized representatives, in the interest of security against espionage, sabotage or subversive activity, refuse access to classified information and/or work.

Section 2 - Procedure to Contest Removal

1801

Employees removed from employment by virtue of this provision may contest such removal in the following manner:

1802

(a) Serve written request for review upon the representatives of the Armed Services requesting removal within the time limitations specified by the Department of Defense. Such request for review may be made through the Company or the Union provided the individuals' written consent thereto accompanies the request for review.

1803

(b) Request for review served, as provided in Sub-section (a) above will be subject to such review as will be provided by the Secretary of Defense or Designee.

1804

(c) Effect of Reversal: In the event that the review discloses that the removal of the employee was without sufficient cause, the employee shall be entitled to be restored to such employee's former job. Reimbursement for loss of earnings resulting from the suspension, revocation or denial of clearance during the period of removal from employment shall not be made by the Company, but shall be requested by the effected employee from the appropriate Department of Defense or other governmental agency, subject to its regulations. The Company will assist the employee in processing a request for such reimbursement if requested by the employee.

ARTICLE XIX - GENERAL PROVISIONS

Section 1 - Prior Agreements Canceled

1900

This Agreement cancels and supersedes all prior written and oral agreements made between the parties.

Section 2 - Separability

1901

Should any provision of this Agreement be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction, such invalidation shall not affect the remaining provisions hereof and they shall remain in full force and effect.

Section 3 - Waivers

1902

It is specifically understood and agreed that no provision of this Agreement shall constitute a waiver of legal rights of either party under any state or federal law.

1903

The waiver of any breach of any provision of this Agreement by either party shall not constitute a waiver of any subsequent breach of the same or any other provision.

Section 4 - Notices

1904

(a) To the Parties: Any notice to be served under any of the provisions of this Agreement shall be deemed to be duly served on the date of mailing by certified or registered mail, postage prepaid, return receipt requested, addressed to the appropriate party to be served as follows:

To:

Director - Labor Relations
The Boeing Company
5301 Bolsa Avenue
Huntington Beach, California 92647-2099

Director - Labor Relations
The Boeing Company
3855 Lakewood Boulevard
Long Beach, California 90846

To the Union:

International Association of Machinists
& Aerospace Workers
District Lodge No. 725
5402 Bolsa Avenue
Huntington Beach, CA 92649

1905

(b) To Employees: In all cases of termination of an employee's employment, whether by layoff, voluntary quit or discharge, the employee shall be given a copy of the termination notice which shall set forth the reason for termination.

Section 5 - Amendment

1906

This Agreement may be amended or modified from time to time by mutual agreement in writing, and any such amendments or modifications shall become a part of this Agreement. All supplements to be effective must be signed by the parties.

Section 6 - Supervisory and Administrative Employees Performing Bargaining Unit Work

1907

Supervisory and administrative employees shall not perform production work performed by employees in the Bargaining Unit except when instructing employees or in case of emergency.

Section 7 - Apprentice Regulations

1908

The Union and the Company shall continue to meet and discuss an agreement covering apprentices.

Section 8 - Limitation on Effect of Correction Interview

1909

(a) A correction interview or disciplinary layoff, except for unsatisfactory workmanship or attendance deviations (described in (b) below) shall be void and without effect twelve (12) months after the date of its issuance.

1910

(b) A correction interview or disciplinary layoff issued for unsatisfactory workmanship or attendance deviations shall be void and without effect twelve (12) months after the date of issuance unless additional correction interviews or disciplinary layoffs for such workmanship or attendance deviations are issued within the twelve (12) month period. All correction interview(s) or disciplinary layoff(s) for unsatisfactory workmanship or attendance deviations will remain in effect until such time as the employee's record is void of such correction interview(s) or disciplinary layoff(s) for a continuous twelve (12) month period, only then shall the issued correction interview(s) or disciplinary layoff(s) be void and without effect.

1911

(c) Consistent with the provisions of paragraphs (a) and (b) above, the Company will remove void correction interview(s) or disciplinary layoff(s) from its records upon receipt of written request from the employee on a form to be supplied by the Company.

ARTICLE XX - REPORTS TO THE UNION

Section 1 - Remittance and Statements to the Union

2000

(a) The Company, in accordance with Article V, Section 2(e), shall furnish the following information to the Secretary-Treasurer of the District Lodge, on a diskette and also provide a hard copy:

Membership Dues

2001

- (1) The total amount of monthly dues deducted.

2002

- (2) The total amount of original initiation fees deducted.

2003

- (3) The total amount of reinstatement fees deducted.

2004

- (4) The total amount of pick-up deductions.

2005

- (5) The names, employee numbers, and amounts from whose wages such deductions have been made.

2006

- (6) The names of employees from whose wages no deductions were made because their paychecks were insufficient to enable the Company to make appropriate deduction.

2007

- (7) The names of employees who were laid off or terminated or transferred out of the Bargaining Unit.

2008

- (8) The Company shall, at the same time, remit to the Secretary-Treasurer of the Union its check for the amounts shown under items (1), (2), (3), (4) and (5) above.

2009

(b) Florida Test Center: Effective with the month of July, 1960, the dues deduction amounts for employees assigned to the Florida Test Center, will be remitted directly to the Secretary-Treasurer of IAM Local Lodge No. 1163, Cape Canaveral, Florida, as provided in (a) of this Sub-section.

Section 2 - Seniority Records

2010

The Company agrees to furnish a designee of the Union the following reports with respect to the records of employees in the Bargaining Unit:

2011

- (a) Weekly seniority roster by work location, classification and seniority (3 copies).

2012

(b) Weekly status change tape (three (3) copies to the Union office and one (1) copy to a representative of the Union's choice at the Florida Test Center).

Section 3 - Wage and Population Information

2013

(a) The Company will furnish to District Lodge 725 each quarter the following information regarding employees in the applicable Bargaining Unit:

2014

- (1) The number of employees in each classification.

	2015
(2) The weighted average wage of each classification.	
	2016
(3) The population of each Labor Grade in the Bargaining Unit.	
	2017
(4) The population of each Lead classification.	
	2018
(5) The weighted average wage of each Lead classification.	
	2019

Such information will be compiled from the payroll records which include the 15th of January, April, July and October of each calendar year during the term of this Agreement.

2020

(b) The Company will furnish to District Lodge 725 each month, the following information regarding employees in the applicable Bargaining Unit:

	2021
(1) The number of employees in the Bargaining Unit paid during the week reported.	
	2022
(2) The average hours worked for the week reported.	
	2023
(3) The average gross weekly earnings for the week reported.	
	2024
(4) The average gross hourly rate for the week reported.	
	2025
(5) The average straight-time hourly wage rate for the week reported.	
	2026

Such information will be compiled from the payroll records as of the week in which the fifteenth (15th) of each month appears.

ARTICLE XXI - DURATION

Section 1 - Term

2100

This Agreement shall take effect on the 28th day of October 2002, unless otherwise specifically provided as to certain provisions, and shall remain in effect through the 23rd day of October 2005, except as to certain provisions of Article X, which shall carry their own terminal dates. This Agreement shall continue in effect from year to year thereafter unless notice is given in the manner provided in Section 2 of this Article.

Section 2 - Modification or Amendment

2101

Not more than seventy-five (75) calendar days nor less than sixty (60) calendar days prior to the end of the original term hereof or prior to the end of any yearly period thereafter, as the case may be, either party may give to the other written notice of desire to terminate, modify or amend this Agreement. Negotiations on the proposed modifications or amendments shall begin not less than forty-five (45) calendar days prior to any anniversary date. Each party giving such notice shall endeavor to submit its proposal to the other party at least five (5) days prior to the beginning of negotiations. Further, either party may submit new or additional proposals for modification or amendment during the course of negotiations.

Section 3 - Termination of This Agreement

2102

If a notice is given under the provisions of Section 2 above and complete agreement upon modifications or amendments to this Agreement has not been reached by the anniversary date, then either party at any time thereafter may terminate this Agreement by giving seven (7) calendar days advance written notice to the other.

THE BOEING COMPANY

INTEGRATED DEFENSE SYSTEMS
HUNTINGTON BEACH

R. Gale Schluter
Vice President – General Manager

Frank Deni
Division Director - Operations

Diane Bradford
Division Director – People

Randy Embry
Senior Manager - Labor Relations

INTEGRATED DEFENSE SYSTEMS
LONG BEACH

Howard Chambers
Vice President – General Manager

Diane Shapiro
Director – People

Dan Craig
Director – Union Relations

BOEING COMMERCIAL AIRPLANE
LONG BEACH

Jim Phillips
Vice President – General Manager

Jody Martin
Director - People

Dan Craig
Director – Union Relations

INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
For and on Behalf of Aeronautical
District Lodge 725

Richard Schneider
Aerospace Coordinator - Boeing

Gary Holt
President & Directing
Business Representative

Gladys Mason
Area Director

Fred Hessman
Business Representative

DISTRICT LODGE 725
NEGOTIATING COMMITTEE

Larry Olinger
Local Lodge 2024

Gary Quick
Local Lodge 2024

Walter Melson
Local Lodge 720-J

APPENDIX "A"

PRECEPTS AND PRINCIPLES GOVERNING THE APPLICATION AND ADMINISTRATION OF THE JOB DESCRIPTIONS AND EVALUATIONS FOR THE FACTORY AND TECHNICAL AND OFFICE JOB CLASSIFICATIONS

The following precepts and principles shall govern the application and administration of these job descriptions and job evaluations in order to attain the following objectives:

- (a) To assure orderly, uniform and consistent application of the job descriptions;
- (b) To prescribe the assignment of employees to appropriate job classifications on the basis of the work they perform; and
- (c) To govern the resolution of disputes involving employees' job classifications.

Now, therefore, it is understood and hereby established:

- 1. The Occupational Summary is a brief description of the occupation the purpose of which is to distinguish that occupation from other occupations.
- 2. The Work Performed section of the job description sets forth typical and normal work operations of the classification. These work operations are characteristic of the level of difficulty, and constitute normal requirements of the job.
- 3. The job description defines and illustrates the level of difficulty and shall be interpreted and applied in its entirety as a composite of the job requirements. In determining the proper classification for an individual employee, the Occupational Summary, Work Performed section, and job evaluation shall be the controlling consideration. However, an employee shall not be required to perform all of the work operations described in a job description in order to be eligible for classification thereunder. An employee shall not be eligible for classification by reason of occasionally performing work operations described in a job description.
- 4. Where work assignments are not adequately nor specifically described, such work assignments shall be appraised and accordingly classified as belonging under the most appropriate job description, by considering the relative degree of complexity or level of difficulty of said work assignments in comparison with comparable work operations described in other job descriptions. The job evaluation (including the Training and Experience requirements) shall be used as additional criteria to establish such comparability.

5. An employee shall be entitled to classification under a job description when regularly assigned to perform work operations which meet the specifications described in Paragraph (3) and supplemented by other paragraphs herein for a substantial portion of the employee's working time.
6. An employee normally performs some of the work of higher-rated jobs in order to qualify for advancement and some of the work of lower-rated jobs when necessary. The normal duties of any employee include assistance to others and some of the work of related jobs when necessary.
7. The requirements of a classification include, as necessary, the use of hand and power tools and special shop equipment to facilitate the work assignment, and modification, rework, repair, or improvising production aids or tooling of the same level of difficulty as other work described in the job description.
8. An employee shall receive only that degree or amount of guidance or instruction which is considered usual and normal for the work assignment.
9. When a work operation is described in the same manner in more than one grade of an occupation (job classification) or in different occupations such work operation or function shall not be used to determine the proper classification of an employee.
10. The attached "Glossary" shall be used to establish the definitions and meanings of certain words and phrases used in the job descriptions and Precepts and Principles herein; for all other definitions and meanings of words used in the job description, Webster's Dictionary shall be used. These Precepts and Principles shall be used to interpret the intent of any job description and shall be followed when job descriptions are revised and added to the Plan.

A GLOSSARY OF TERMS AND PHRASES AS USED IN JOB DESCRIPTIONS

In accordance with the statement of policy to be followed in preparation of job descriptions by the Restudy Committee, the following terms and words are given definition and meaning to clearly indicate the common and consistent interpretation to be placed in them by all persons using the descriptions:

1. ADAPT TOOLING

Means to modify, alter or change furnished tooling to fit it for a specific need without altering its basic design.

2. ANGLE, COMPOUND

Means the angle between the two non-coinciding sides of two oblique angles which are in different planes and have a vertex and one side in common. Making a compound angle usually presents a coordinating tolerance problem since it results from the holding within tolerances of two adjoining component angles.

3. AS DIRECTED

Means that some determinations connected with the work operation described are usually and normally made by others and are given or made known to the worker directly concerned with the assignment. Use of this term does not mean that the details and determinations involved need be repeated each time an identical or very similar work assignment is made or work operation performed, nor does it preclude use of independent judgment by the worker.

4. AS REQUIRED

Means that the work operation function or job duty is usually and normally performed after or as a direct result of an order, work assignment or request from recognized supervisory personnel and/or is used to mean an occasional or incidental job requirement. The intended meaning is evident from the nature of the job duty described.

5. ASSEMBLY JIGS

Are those which facilitate holding and aligning a set of parts for fabrication or assembly operations.

6. ASSISTS

Assists means to help or aid other employees in the performance of certain work where the higher graded employee assumes responsibility and where the assistance consists of performing certain portions of the assigned work either in direct coordination of carrying out details of the total assignment under the direct guidance of the higher graded employees. The worker assisted is held responsible for the satisfactory completion of such work assignment. The assisting worker is not expected to work wholly independently but rather cooperatively and, further, is entitled to and should receive the guidance and instruction considered usual and normal under these circumstances.

7. BLUEPRINTS, DETAIL
Are any class of blueprints which give necessary detailed information for fabricating one or more parts.
8. BLUEPRINTS, DETAIL ASSEMBLY
Are blueprints which provide information for assembling parts together with the necessary information for making some or all of the individual parts.
9. BLUEPRINTS, DETAIL PARTS
Are blueprints which give the necessary information for making one part in any required number, all of which must be interchangeable.
10. BLUEPRINTS, MAJOR ASSEMBLY AND INSTALLATION
Are blueprints which provide information for the installation and/or assembly of fabricated and accessory parts into the airplane during final assembly, and for the construction of such major assemblies as fuselage, wing, empennage and engine control stand.
11. BLUEPRINTS, MINOR ASSEMBLY
Are blueprints which furnish the worker with information for assembling a number of parts; these blueprints frequently also serve to give information for routing the component parts into the assembly department.
12. CHECK, FUNCTIONAL
Means to determine or ascertain whether a unit or portion of a system performs the function for which it is intended and if not, whether rework or alteration is required. Checks of this nature include checking lines for leaks, wires for breaks by buzzer, bell or other continuity checks, and checking response to controls as on landing gears.
13. CHECK, OPERATIONAL
Means making a complete check of an entire independent system, after such system has been installed in its entirety in or on the aircraft. Such systems to include the complete electrical system, heat and vent system, hydraulic system, engine controls system, surface controls system, radio and/or radar system. A thorough knowledge of the shop theory involved in the individual system is required.
14. CHECK, VISUAL
Means detecting with the naked eye, or with such aids as mirrors, obvious defects and imperfections. Its use implies sufficient knowledge and familiarity on the part of the worker to make the required identification. Such check would uncover incomplete assembly (missing parts or operations), visible surface cracks, badly driven rivets and similar conditions.
15. CONTOUR
Means a curved surface having radii of different lengths all of which lie in parallel planes or the same plane, such planes being perpendicular to the curved surface, or means a curved line having radii of different lengths all of which are in the same plane. The surface of a cone or section thereon, a typical

airfoil surface, the curved edge of a profiled plate and the curved layout line guiding the making of a router block are examples. Contour surfaces composed of sections of cylinders and edges whose profile is a section of a circle are excluded since the radii are the same length.

16. CONTOUR, COMPLEX

Means a curved surface of unusual intricacy and variability.

17. CONTOUR, COMPOUND

Means a curved surface having radii of different lengths which lie in non-parallel planes. Compound contours are typical of stretch press and drop hammer dies. The surface of a sphere or section thereon would be a regular compound contour and, in general, was meant to be excluded.

18. CONTOUR, REVERSE

Means a compound contour that reverses its curvature so that it has both concave and convex portions.

19. COORDINATED TOLERANCES, COORDINATED DIMENSIONS

These expressions are used only when exacting tolerances are implied, i.e., exacting tolerances are to be associated always with "coordinated dimensions", "coordinated tolerances" unless modified expressly. It should be understood that the mere location of a point by two or more reference dimensions does not in itself mean that the dimensions themselves are coordinated. An example of truly coordinated dimensions is shown in the following: The precision dimensions between two holes must be held while at the same time the precision dimensions locating each of the holes must also be held with respect to another reference point or line.

20. DEVELOPMENTAL PARTS

Are parts which are intended for use on experimental or developmental aircraft (i.e., one or a few aircraft designated as being actually or potentially subject to major modification or change). These are usually produced singularly or in small lots using standard tooling, improvised tooling or newly constructed production tooling. Its use in a job description does not imply a restricted level of difficulty unless such intention is clearly and specifically indicated.

21. DRAW, DEEP

Means the relation of depth or draw to its other dimensions is such that it is distinguished from moderate or shallow draws by custom.

22. DRAW, DRAWING

Means the forming of sheet metal or other material by pressing it into a die while at the same time retarding movement of the metal into the die by mechanical holding as with draw rings.

23. EXPERIMENTAL PARTS

Are parts which are intended for use on experimental or developmental aircraft. These are usually produced singularly or in small lots using standard tooling, improvised tooling or newly constructed production tooling. Its use in a job description does not imply a restricted level of difficulty unless such intention is clearly and specifically indicated.

24. EXPERIMENTAL WORK, DEVELOPMENTAL WORK (Does)

Means to experiment with the process or operation (assembly and/or fabrication) in order to develop new or improved methods or means to build or make new assemblies and installations where exercise of a thorough knowledge of the shop theory involved is necessary and further is a recognizably difficult assignment which is characterized by requiring ingenuity to accomplish the assignment satisfactorily. It does not include work done by a usual or established manner, process or operation on a part even when such part will later be used on an experimental or prototype aircraft.

25. FABRICATES COMPLETELY

Means to perform all necessary fabrication operations required to produce a finished article ready for use in an assembly, aircraft or the plant.

26. FABRICATION, FABRICATES

Means work operations on raw materials and partially manufactured parts which increase its or their value and utility.

27. HAND TOOLS

These include hand tools normally used by the workers in the performance of the occupation, such as files, rasps, deburring tools, chisels, saws, hand drills, screw drivers, pliers, wrenches, hammers, mallets and punches.

28. HAND TOOLS, MACHINISTS'

No definite distinction is implied by prefixing "Machinists" to "Hand Tools". Use of this or other trades' names as Carpenters', Instrument Makers', Electricians' and Masons' does not imply a strict limitation on Hand Tools used; e.g., wire cutters (Electricians') might be used by a Mason laying wire reinforced brick or tin snips (Sheet Metal Workers') by a Carpenter to cut a square of sheet metal to cover a knot hole.

29. HOLDING FIXTURES

Refers to tooling designed to hold the work so that machining, installation, assembly or layout operations are facilitated.

30. HOLDING FIXTURES, PRODUCTION

Are those designed to hold or align one part or one assembly. Holding jigs are included in this class.

31. HOLDING FIXTURES, STANDARD

Are those which can be used on a wide variety of parts and which are usually found in all well equipped shops of similar nature. They are a portion of the Standard Tooling category concerned principally with holding the work.

32. IMPROVISES AND ADAPTS STANDARD TOOLING

Means to use standard tooling (see definition) in order to secure and align part or otherwise aid or expedite fabrication. It implies that exercise of skill and ingenuity is required and the problems involved are not solved by standard or simple means.

33. IMPROVISE TEMPORARY TOOLING

See "Improvise Tooling". Means, in addition, that the tooling is intended for temporary use only and is made or adapted from equipment, material and tooling on hand.

34. IMPROVISE TOOLING

Means that a worker, to accomplish a given task, recognizes the need for and exercises ingenuity and skill to create a mechanical aid which will permit doing the work with greater exactness, rapidity and/or facility. The fact that tooling is improvised need not affect the classification since it might be simple or complex, necessary or unnecessary, authorized or unauthorized.

35. LAYOUT (n), LAYS OUT (v)

Means the actual marking of locating and/or reference points and lines on the material, part, tool or assembly worked on. Layout in itself does not imply a high level of difficulty or skill since it can be a simple work operation such as measuring a length on a piece of lumber and making a line or point at which it is to be sawed, making lines on pavement with a chalk line preparatory to painting, or scribing around a furnished template laid on flat stock. On the other hand, layout can be a difficult work operation which requires much skill, knowledge and experience to make the necessary computations, part setup, precise measurements and markings, and interpretation of complex blueprints such as on a complex die or casting requiring layout to establish locations for coordinated hole patterns, compound angles and/or irregular contours.

36. LAYOUT, PROGRESSIVE

Is the layout for a machining or other fabricating operation which is continued (or completed) after the fabrication operation has been performed. Progressive layout is often necessary when initial machining operations would remove scribed reference marks for subsequent operations, or is advantageous when the machining operation produces a good reference plane or point for further layout operations.

37. LAYOUT OF PART

Means the marking of points and lines which will determine the exact nature and dimensions of the part after machining or fabrication operations have been performed. Layout of this nature is an integral and necessary step in the fabrication of the part.

38. LAYOUT OF REFERENCE LINES AND POINTS

Means the marking of points and lines to aid or guide the worker in performing a given operation. It often indicates points and lines from which precision measurements will be taken although the points and lines themselves need not have been located exactly. Layout of this nature is often optional rather than necessary as the purpose can be to reduce the number of measurements, limit gross errors, or to permit working to closer than specified tolerances.

39. MANUFACTURING OUTLINE SHEETS

These sheets or cards furnish all or some of the following information: the order or sequence in which operations are to be performed, the tools to be used, the production tooling available and its tooling identification number, machine feeds and speeds, and special manufacturing instructions, if any. This refers to operation sequence sheets, process sheets, operational sheets or cards, manufacturing operation cards, and other written information furnished the operator of the same nature and for the same use and purpose.

40. MAY

When used, indicates a job requirement of some of the plants of the company and is considered to be of the same level of difficulty as other requirements not so qualified.

41. PRODUCTION AIDS

Are devices initiated voluntarily and made by the worker to facilitate work operations, increase production or reduce elements of fatigue or strain. Such devices are usually simple but ingenious in nature.

42. PRODUCTION ILLUSTRATIONS

Are blueprints or sketches which are used as an aid in visualizing parts and/or their assembly and are usually isometric, perspective, pictorial or third angle projection drawings. Blueprint dimensions might be shown also.

43. PICKUP WORK: PICKUP

Means the performance out of usual or normal sequence work operations which have been omitted by intention or of necessity (as part shortage or rushed schedule) or by oversight (as failure to drill a hole, make a cutout, or install a part). Pickup work does not of itself establish a high or higher level of difficulty since work done out of sequence is very often of the same difficulty or within the same level of difficulty as when done in sequence. Therefore, the level of difficulty intended is to be determined from the job description and compared with the actual pickup work in question.

44. REPAIR

Means to restore a part or assembly to its original state or utility after it has been damaged by accident or by wear. It does not have the same meaning as "Rework".

45. REWORK

Means to undo and then do over work previously accomplished (normally by others) in order to correct errors or make it conform to changed specifications. Rework can be simple or difficult according to its nature and variety; therefore, the level of difficulty intended is to be determined from the composite job description. (See Repair).

46. SETUP (n), SETS UP (v)

Is a broad term which becomes specific only according to its usage and application to machines and/or operations concerned. It includes the various necessary physical work operations or steps, (other than layout) which must be accomplished before actual fabrication can proceed. Setup of a machine might include securing material to machine bed at the proper angle for cutting, selecting, aligning and setting cutting tool, setting speeds and feeds, adjusting coolant flow. In most assembly operations, setup (e.g., positioning parts, obtaining parts) is so closely intermingled with fitting and joining together that setup is not customarily designated as such (this is generally true of operations where machine operation is not the primary job factor).

47. SHOP PRACTICE

Means the generally accepted method of performing a basic, common or usual operation under specified conditions. It covers the knowledge which is common to the occupation itself and to most manufacturing shops using the operation under consideration. Besides knowledge and ability to use required hand tools and equipment, it includes knowledge of general safety practices, conduct, rules of cleanliness, neatness, good housekeeping and care of equipment. When used in the phrase "shop practices and procedures", practice need not imply other than practices or methods learned or acquired at any one shop.

48. SHOP PROCEDURE

Means the way custom and management of the particular company require, wish or specify the work to be performed. It includes the departmental and company rules, procedures and policies made known to the employee for information and expected compliance. It covers or implies having sufficient knowledge of organization, management and physical details of the company to perform satisfactorily the required work in a generally harmonious manner.

49. SHOP THEORY

Means the comprehensive craft knowledge and special skills associated with the particular trade and related trade without which advanced work of high quality, quantity and uniformity may not be performed. A thorough knowledge of shop theory is considered necessary to accomplish the more difficult and diversified work of an occupation and includes a real understanding of the capacities as well as limitations of the machines and skills used in the trade. It implies a knowledge of "why" as well as "how" a given task should be done. It is acquired by a combination of observation, experience and schooling.

50. STANDARD IN DESIGN

Means that construction and purposes are common to the company or shop. It implies that lower level of difficulty is involved than when "not standard in design" is used.

51. TEND

Means that an automatic or almost automatic function is taking place which requires little or no direct control by the worker. To "tend" a machine would include watching its operation after the setup has been made (usually by others), periodically checking work produced, starting and stopping, loading material in machine, removing finished part, making minor adjustments to machine which do not involve extensive knowledge of setup, and notifying proper personnel when machine or part trouble develops.

52. TOLERANCES, CLOSE

Means those tolerances which are held by the machine, operator and/or fixture without great or special care, effort or skill on the part of the worker. This term expresses a level of difficulty rather than a preciseness of linear, angular or other measurement.

53. TOLERANCES, EXACTING

Means those tolerances which require special care and attention on the part of a skilled worker to obtain or hold. These tolerances would be difficult, if not impossible, for a semi-skilled or unskilled worker to hold consistently at a good production rate. This term expresses a level of difficulty rather than a preciseness of linear, angular or other measurement.

54. TOLERANCES, LIBERAL

Means those tolerances which are left to the judgment of the worker and are of such nature that variation by the worker will not result in appreciable spoilage, damage or uneconomic operation. This term expresses a level of difficulty rather than a preciseness of linear, angular or other measurement.

55. TOLERANCES, MODERATE

Means those tolerances which must be observed to maintain proper standards of workmanship or economy, but which require only reasonable care or skill to hold. This term expresses a level of difficulty rather than a preciseness of linear, angular or other measurement.

56. TOOLING, PRODUCTION

Is specially designed tooling to facilitate production operations on any number of same or similar parts. This type of tooling is developed to hold regular and irregular shaped parts in proper machining position, and to minimize or eliminate setup and layout. This is a general term usually associated with machining operations on lot or mass production parts and assemblies.

57. TOOLING, STANDARD

Means those tools or tooling used on the same or different types of machines or operations, principally in making a setup for either layout or machining and occasionally for bench or assembly work and which further are found commonly in nearly all shops and industries performing similar operations. In the machine shop it would include Vee-blocks, parallel bars, angle plates, chucks, collets, machine vises, a wide variety of clamps, bolts, locks and wedges. In bench or assembly work it would include surface plates, table vises and various common attachments used on portable and stationary tools to permit holding the work or increasing the scope of the tool.

58. TRAINING AND EXPERIENCE

Training refers to time to acquire skill through instruction, demonstration and controlled or practice operation. Experience refers to time to acquire skill through actual performance of the work itself or of pertinent elements of closely related work. Training does not include schooling or formal training in reading, writing and simple arithmetic since this is basic for all aircraft occupations. More advanced formal training which would substitute directly for job techniques normally acquired by actual experience on the job such as shop algebra, shop geometry, shop trigonometry, blueprint reading, lofting practice and technical trade knowledge can be counted as equivalent training and experience in the case of an individual worker.

59. UNUSUALLY AND IRREGULARLY SHAPED

Means that the parts deviate sufficiently from usual and standard parts as to require exercise of ingenuity and original thinking to properly and satisfactorily fabricate them.

60. VARIABLE

Means a different degree or form of the same kind of thing.

61. WHEN REQUIRED

Means that the work operation, function or job duty is usually and normally performed after or as a direct result of an order or request from recognized supervisory personnel and/or means that it is required or necessary only rarely or when exceptional circumstances exist.

62. LICENSE REQUIREMENTS

Means that where an employee is required by local, State or Federal law to possess a license and/or certificate to perform required job duties, the said local, State or Federal law shall supersede the requirements expressed in Company Job Description. Responsibility for obtaining said license or certificate shall rest with the individual performing such job duties.

ELECTRICAL/ELECTRONIC AND
INSTRUMENT TERMS AND DEFINITIONS

63. COMPONENT

Items normally not subject to disassembly, such as

Relay	Jacks
Tub	Cavity
Condenser or Capacitor	Magnitron
Resistor	Klystron
Socket	Synchro
Plug or Receptacle	Crystal
Fuse	Transformer
Switch	Diode
Knob or Dial	Transistor
Panel Light	Coil

64. SUB UNIT

A group of components which, when combined, may or may not perform a function in its own right and which, as a whole, is a separable part of a unit, such as

Plug in Amplifier	Compensator (Altitude, Airspeed, etc.)
Signal Data Converter	Microphone
Dynamotor	Meter
Relay Assembly	Gyro
Range Generator	Wire Harness
Voltage Regulator	Phase Discriminator
Pulse Shaper	Cable Assembly
Memory Delay Line	

65. UNIT

An electronic assembly which is functionally complete in itself in that it contains a variety of components and/or sub-units commonly referred to as "Black Boxes", such as

Radar Antenna	Position Mark
Radar Receiver-Transmitter (R-T Unit)	Generator
Radar Modulator	Computer Central
Comparator	Coupler, Antenna
Synchronizer	Radar Central
Power Supply	Amplidyne
Moving Target Indicator (MTI)	Radar Indicator
	Wire Recorder

66. SUB-SYSTEM

An aircraft or missile system which may be, but normally is not, operationally complete in itself, such as

Auto-Tune Liaison MHF Transceiver (ARC-21, 618S-1)	Data Link System
Radar Beacon (APW-11)	Radar Flight Control System
Radar Altimeter (APN-22)	Computer System
Omni Range (ARN-14, ARN-18)	Missile Guidance System
Auto-Tune VHF Transceiver (ARC-27)	Telemetry System
Loran (APN-70)	Flux Gate Compass (N-1)

67. SINGLE-PURPOSE SYSTEM

An aircraft or missile system of moderate complexity which serves an independent purpose, such as

Aircraft Inter-Com set (AIC-10)	Pressurization
Ground Position Indicator (APA-90)	Control System (MK-62)
I.F.F. System	Emergency Keyer (ARA-26)
Radio Compass (ARN-6)	Flare Control System
Homing Adapter System (ARA-25)	Automatic
Marker Beacon System (ARN-12)	Detonator System
	Aircraft Autopilot System

68. SYSTEM-MAJOR

A complete complex major electronic aircraft or missile system, such as

Automatic Navigation System	Universal Camera
Computing Bombing and Navigation System	Control Systems
Computing Fire Control and Navigation Systems	Missile Guidance System
	Telemetrying Systems

69. TEST INSTRUMENTS

Special electronic instruments or equipment, such as

Multimeter	Decade Box
Oscilloscope	Square Wave Generator
Audio Signal Generator	Frequency Meter
R. F. Signal Generator	Decade Frequency Counter
Range Calibrator	Eput Meter
Volt-Ohm Meter	Harness Tester
Oscillosynchroscope	Tube Tester
Ampmeter	Circuit Analyzer
Volt Meter	Timer
Standard Cell	
Bridge	
Precision Potentiometer	
Timer	

70. SMALL GUIDED MISSILE

A short range defensive type missile.

71. LARGE GUIDED MISSILE

A long range offensive type missile.

APPENDIX "A"

PRODUCTION AND MAINTENANCE DISTRICT LODGE #725

Job		Labor
<u>Code</u>	<u>Classification Title</u>	<u>Grade</u>
M953	Assembly & Test Technician	F17
6883	Assembly Fabrication Parts Person	F11
P403	Automotive Mechanic	F14
P573	Badge & Lock Operator	F14/F07
3443	Block Jig & Die Maker	F13
P393	Bore, Mill, & Lathe Machinist	F15
P483	Bore, Mill, & Lathe Operator	F13/F11
P673	Building, Equipment & Sheetmetal Worker	F15
4243	Carpenter Maintenance	F15
4323	Crane Operator	F12
P513	Crater, Packer, & Preserver	F09/F05
P013	Cryogenic Environmental Technician	F17
H183	Development & Mockup Model Mechanic	F17
P653	Drill, Extrusion & Handformer	F10/F06
P423	Electrical/Electronic Assembler & Developer	F14/F06
M633	Electrical/Electronic Encapsulator Molder	F08
P313	Electronic Technician	F17
H553	Electronic Technician - Dynamic Test	F17
4213	Electronic Technician Prod. Test Missile	F16
F143	Electronic Test Technician	F16
M143*	Engineering Test Electronic Technician	F17
M153*	Engineering Test Mechanic	F17
4533	Experimental Bench Machinist	F15
2693	Experimental Mechanic	F15
P453	Fabrication Assembler Special Operations	F13/F09
P623	Field Maintenance	F15/F13
P613	Field Test Technician	F17
M183*	Flight Test Fabrication Mechanic	F17
P323	General Helper	F02

*Use at DAC only

APPENDIX "A"

PRODUCTION AND MAINTENANCE DISTRICT LODGE #725 (Cont'd)

<u>Job</u>	<u>Classification Title</u>	<u>Labor</u>
<u>Code</u>		<u>Grade</u>
P353	General Machinist	F17
4663	General Utility Worker	F04
2703	Grinder Machinist	F15
P343	Grinder Operator	F13/F11
2713	Grinder Tool & Cutter	F15
2743	Heat Treater	F15
P113	Inspector Cryogenic Technician	F17
3703	Inspection Investigator	F15
2403	Inspector Electrical/Electronic Assembly	F13
M163	Inspector - R&D and Missile Final	F17
H993	Inspector Machined Parts	F15
4883	Inspector Material Review	F14
G243	Inspector Mechanical	F14
3473	Inspector Mechanical Assembly	F12
G233	Inspector Mechanical Senior	F17
P333	Inspector Missile Final Assembly	F14
2313	Inspector Perishable Tools	F15
3803	Inspector Receiving	F11
F943	Inspector Supplier Quality Control	F16
H473	Inspector Technical Production Test	F16
P373	Inspector Test Equipment	F17
P493	Inspector Tooling	F17
6483	Insulation Fabricator & Equipment Operator	F09
5073	Jig & Fixture Builder	F17
1913	Laboratory Precision Mechanical Technician	F17
1933	Laboratory Structural Test Mechanic	F17
5143	Machine Tools Layout Specialist	F16
P663	Maintenance Mechanic	F15/F14
5253	Master Machinist	F16
G173	Mechanic Maintenance Automated Machines	F17
P563	Mechanical Assembler & Tester	F14/F10
M333	Mechanical Properties Test Technician	F16
5433	Metal Fitter Mechanic	F13

APPENDIX "A"

PRODUCTION AND MAINTENANCE DISTRICT LODGE #725 (Cont'd)

Job Code	Classification Title	Labor Grade
P463	Metal Fitting Assembler	F10
M653	Mobile Equipment Operator	F08
5403	Molded Plastic Tooling Builder	F15
P443	Non-Metallic Fabrication Assembler	F10
5493	Oiler Maintenance	F06
P363	Painter Production	F12
P433	Parts Processor	F11
6693	Pattern Maker Plaster	F17
G143	Plastic Laminate Fabricator - Mechanic	F13
5653	Plumber Maintenance (5¢ Add for Lic.)	F15
M453	Plumber Maintenance Chemical Treatment	F16
P503	Production Machine Operator	F10/F06
P143	Quick Response Inspector	F15
P543	Quick Response Mechanic	F13/F11
P233	Quick Response Planner	T14
P133	Quick Response Processor	F11
P123	Quick Response Support	T08
P293	Quick Response Tester & Assembler	F10
P413	Sheet Metal & Forming Machine Operator	F15/F11
P523	Shipping Processor	F11
G213	Space Simulation Test Technician	F17
3293	Structures Assembler	F10
3283	Structures Mechanic	F13
6293	Template Maker	F12
H283	Tool & Cutter Setter - N/C Machines	F11
6343	Tool & Die Maker	F17
5663	Tool & Equipment Repairer	F11
M703	Tool Accountability Operator	F06
6363	Trimmer	F13
6433	Tube Mockup Mechanic	F13
P473	Tubing Fabricator	F10

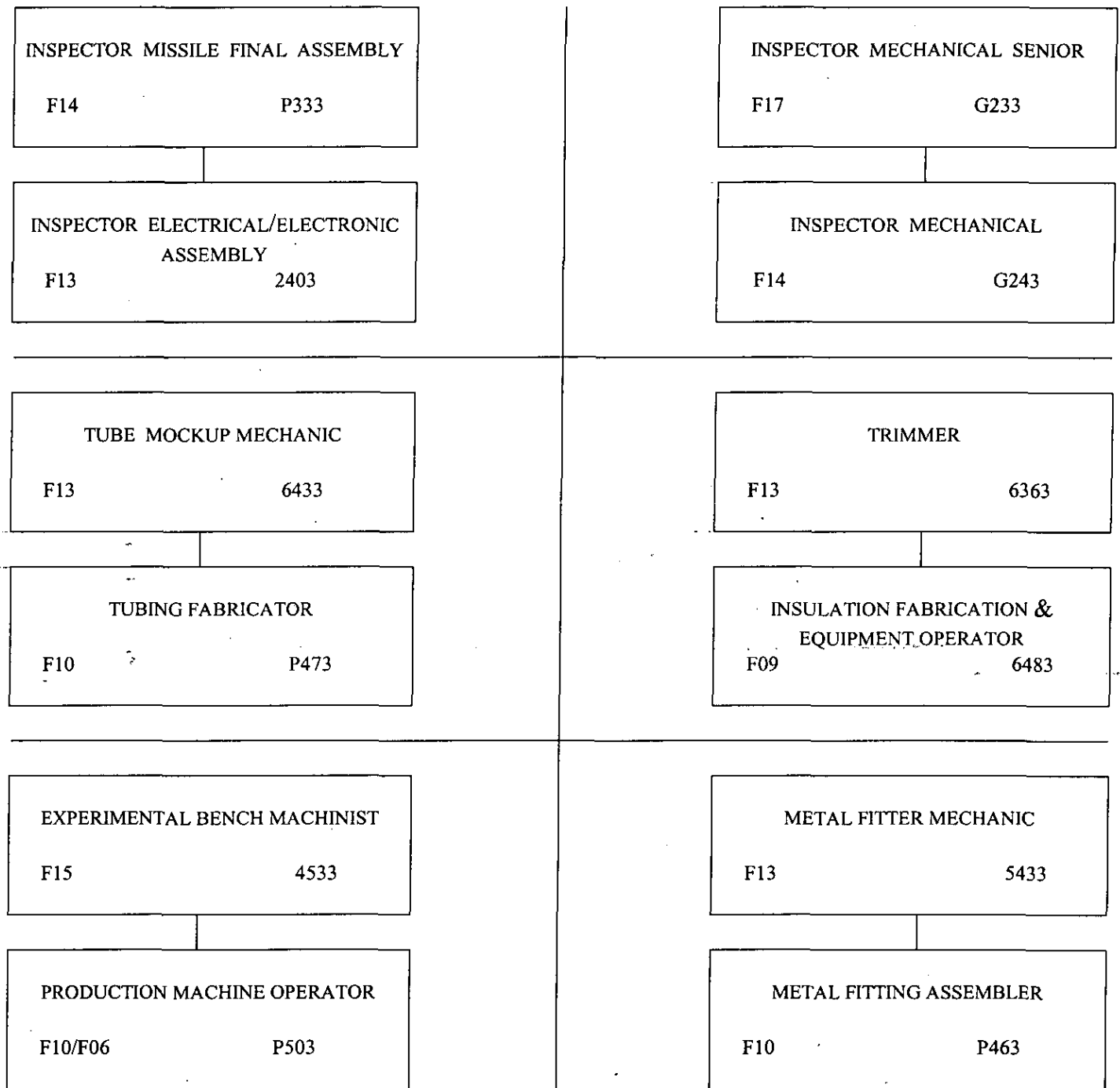
APPENDIX "A"

TECHNICAL AND OFFICE DISTRICT LODGE #725

Job Code	Classification Title	Labor Grade
8043*	Blueprint Clerk	T05
P983	Business Support Analyst	T09
P303	Calibration Specialist Physical	T14
P383	Calibration Specialist Electrical & Electronic	T14
T383	Ceramics Technician	T11
P713	Department Clerk	T04/T03
P763	Document Control Clerk	T08/T05
P903	Field Business Support Analyst	T09
P633	Field Material & Skills Technician	F15/F11
P923	Field Planner	T14
P913	Field Support Associate	T08/T05
P973	Inspector Non-Destructive	T12/T09
T373	Layout Typist	T10
P933	Master Layout Technician	T14
P813	Material & Process Analyst-Chemistry & Physics	T12
P843	Material & Process Analyst-Composites & Elastomers	T12
P823	Material & Process Analyst-Electrical/Electronics	T12
P833	Material & Process Analyst-Metallurgy	T12
P853	Material & Process Analyst-Welding	T12
9543	Material Clerk	T05
P723	Material Handler	T08
P733	Material Records Analyst	T10/T09
8503	Material Surplus Sales Clerk	T09
P753	Photographic Technician	T12
P213	Planner - Machining	T14/T12
P223	Planner - Electrical & Electronic	T14/T12
P243	Planner - Mechanical and Structural	T14/T12
P533	Receiving Checker and Reconciler	T08
7613	Release Planner	T06
P743	Reprographics Specialist	T09/T06
8853	Timekeeper	T09
7863	Tool Designer	T14
P953	Tool Liaison Investigator	T14
7853	Tool Record Inventory Clerk	T06
8903	Traffic Clerk	T08
7903	Traffic Rate Clerk	T11
8893	Work Order Control Clerk	T04

*Closed at Launch Sites (A31/A41)

APPENDIX "B"
OCCUPATIONAL GROUPING CHART



Revised: 28 October 2002

APPENDIX "B"

OCCUPATIONAL GROUPING CHART (Cont'd)

BORE, MILE & LATHE MACHINIST
F15 P393

BORE, MILL & LATHE OPERATOR
F13/F11 P483

PLASTIC LAMINATE FABRICATOR-
MECHANIC
F13 G143

NON-METALLIC FABRICATION
ASSEMBLER
F10 P443

EXPERIMENTAL MECHANIC
F15 2693

STRUCTURES MECHANIC
F13 3283

STRUCTURES ASSEMBLER
F10 3293

Revised: 28 October 2002

APPENDIX "C"

JOB OCCUPATIONS IN INVENTION AWARD PLAN DISTRICT LODGE #725

<u>Job Code</u>	<u>Occupation Title – Factory</u>
P383	Calibration Specialist Electrical/Electronic
P303	Calibration Specialist Physical
H183	Development & Mockup Model Mechanic
P423	Electrical/Electronic Assembler & Developer
H553	Electronic Technician – Dynamics Test
4213	Electronic Technician Production Test Missile
F143	Electronic Test Technician
M143	Engineering Test Electronic Technician
4533	Experimental Bench Machinist
2693	Experimental Mechanic
P613	Field Test Technician
M183	Flight Test Fabrication Mechanic
P353	General Machinist
M163	Inspector R & D and Missile Final
H473	Inspector Technical Production Test
P943	Inspector Tooling
5073	Jig and Fixture Builder
1913	Laboratory Precision Mechanic Technician
5253	Master Machinist
M333	Mechanical Properties Test Technician
6693	Pattern Maker Plaster
P413	Sheet Metal & Forming Machine Operator
G213	Space Simulation Test Technician
6343	Tool & Die Maker

APPENDIX "C"

JOB OCCUPATIONS IN INVENTION AWARD PLAN
DISTRICT LODGE #725
(Cont'd)

<u>Job Code</u>	<u>Occupation Title - Technical & Office</u>
P983	Business Support Analyst
P923	Field Planner
P813	Materials & Process Analyst – Chemistry/Physics
P823	Materials & Process Analyst – Electrical/Electronics
P833	Materials & Process Analyst – Metallurgy
P843	Materials & Process Analyst – Composites & Elastomers
P853	Materials & Process Analyst - Welding
P933	Master Layout Technician
P223	Planner - Electrical & Electronics
P213	Planner - Machining
P243	Planner – Mechanical & Structural
7863	Tool Designer
P953	Tool Liaison Investigator

APPENDIX "C-1"

THE BOEING COMPANY INVENTION AWARD PLAN

Appendix "C-1": PRO-1944 Invention Awards (Issue Date: October 20, 2000)

APPENDIX "C-2"

THE BOEING COMPANY AND SUBSIDIARIES
PROPRIETARY INFORMATION AND INVENTION AGREEMENT

Appendix "C-2": The Boeing Company and Subsidiaries Proprietary Information and Invention Agreement [Form F7 1000 0015 NEW (21 DEC 1999)]

INDEX

LETTERS OF AGREEMENT

The parties hereby agree that the following Letters of Agreement between them shall remain in effect as provided in Article XIX, Section 5, of their current collective bargaining agreement:

1. 9/05/56 Edwards, Patrick, Sacramento Recognition
2. 7/22/58 Vandenberg (Cooke AFB) Recognition, Limitations
3. 2/08/61 Vandenberg T & O Recognition
4. 5/10/63 Space Systems Center, Applicability of IAMAW Agreement as Therein Amended
5. 12/05/71 Statement Regarding Contracting Work Out
6. 3/21/75 Plumbers License
7. 3/21/75 Field Pay at Florida Test Center and Vandenberg Test Center
8. 12/05/75 Heil Street (A4) Recognition
9. 5/05/76 Joint Administration Agreement-Hourly Pension Plan
10. 5/22/78 Vandenberg (A31) Local Lodge
11. 5/22/78 Job Combination Cross Training Agreement
12. 5/22/78 National Health Insurance
13. 10/13/80 Health Maintenance Organizations
14. 10/13/80 Prepaid Group Practice Dental Plans
15. 10/13/80 Insurance Coverage at Test Bases
16. 10/13/80 Yuma County Airport Recognition
17. 10/24/83 Overtime Applicable to Vandenberg Test Center and Florida Test Center
18. 10/24/83 Seniority Protection for Union Officials
19. 10/17/86 Western/Lampson Facility (A39)
20. 7/20/87 SCUBA Diving Assignment
21. 7/20/87 Employment Beyond Age 65
22. 12/18/89 Voluntary Political Contributions
23. 12/18/89 Overtime Guidelines
24. 12/18/89 Arbitrators "Fishbowl"
25. 12/18/89 Mediation, Permanent Arbitrator
26. 5/28/92 Transfer of Upholstery Work from C6 to A3
27. 2/22/93 Amendment to Letter of Agreement No. 1 - Edwards Air Force Base
28. 2/22/93 Establishment of Seniority Group 4
29. 2/22/93 U.S. Government National Range Safety Work Time Requirements

INDEX

LETTERS OF AGREEMENT

(Cont'd)

30.	2/22/93	Pre-Promotion Testing and Assessment
31.	2/22/93	Mediation
32.	2/22/93	Non-Standard Workweek
33.	2/22/93	Deleted Classifications
34.	2/22/93	Special Agreement - Rights to Last Job Held
35.	8/9/93	Group Insurance
36.	8/9/93	Recall Rights to Seniority Groups 3 & 4
37.	8/9/93	Utilization of Employees between Launch Site Locations
38.	2/5/96	Pay for Performance Understanding
39.	2/5/96	Pay for Skill
40.	2/5/96	Understanding on Job Combinations and Work Centers
41.	2/5/96	Use of Vacation in Hourly Increments
42.	2/5/96	Information Provided on Diskette
43.	10/29/99	Commitment to Support Process Improvement and Teaming Concepts
44.	10/29/99	Production Subcontracting
45.	10/29/99	Shares Payroll Deduction
46.	10/12/01	Location C-13 Letter
47.	10/28/02	Share Value Program
48.	10/28/02	Work Assignment Flexibility
49.	10/28/02	Flight Test Intermittent Work
50.	10/28/02	Employee Benefit Systems, Inc.

It is further understood the attachments listed in this agreement supersede and rescind all previous letters of agreement.

Date: 28 October 2002

LETTER OF AGREEMENT NO. 1

This Agreement made and entered into at Santa Monica, California, this 5th day of September, 1956, by and between DOUGLAS AIRCRAFT COMPANY, INC. (hereinafter referred to as the "Company"), a Delaware corporation with its principal place of business in Santa Monica, California, and the INTERNATIONAL ASSOCIATION OF MACHINISTS, represented by its Grand Lodge for and on behalf of Aeronautical Industrial District Lodge No. 1578 of the International Association of Machinists (hereinafter sometimes referred to as the "Union").

In consideration of the mutual promises made herein, the parties hereto agree to amend the Santa Monica IAM No. 1578 collective bargaining agreement dated March 26, 1956, as follows:

- A. Article 1 - Recognition is extended to include employees employed at the following Santa Monica Division locations, provided the work performed by such employees at these locations is work which if performed at the Santa Monica Division would be included within the Santa Monica IAM 1578 collective bargaining unit.
 - 1. Edwards Rocket Base, Muroc, California
 - 2. Patrick Air Force Base, Cocoa Beach, Florida
 - 3. Sacramento Missile Field Test Station, Sacramento, California
- B. Article VII - Seniority shall be limited in application to the location at which employed, except that employees transferred to the Patrick Air Force Base and the Sacramento Missile Field Test Station shall be entitled to exercise displacement privileges into the Santa Monica Division in accordance with the layoff provisions of Article VII, Section 6, if, within four working hours after receipt of notice of layoff, the employee notifies the Company in writing of his desire to exercise such displacement privileges. Those employees who are not placed as a result of application shall be laid off and shall be given recall privileges to the Santa Monica Division in accordance with Article VII, Section 7, "Recall".
- C. Article VII - Seniority, Section 6 - Layoff Provisions, Paragraph (a) - Rocket Base, Muroc, California, in Group (4).
- D. Article XIV - Hours and Overtime, Section 2 - Shift Hours, shall not apply to the Edwards Rocket Base, Patrick Air Force Base, Sacramento Missile Field Test Station locations' shift operations.
- E. Article XVI - Safety, Section 4 - Employees' Refusal to Work on Account of Alleged Unsafe Condition, Paragraph (b) - Determination of Safe Condition, shall be amended as to the Patrick Air Force Base location only to substitute "Division of Industrial Safety of the State of Florida" for "Division of Industrial Safety of the State of California".

LETTER OF AGREEMENT NO. 1

(Cont'd)

F. No action shall be taken under this agreement which contravenes any local, state, or federal law.

INTERNATIONAL ASSOCIATION OF MACHINISTS Represented by its Grand Lodge for and on behalf of Aeronautical Industrial District Lodge No. 1578

DOUGLAS AIRCRAFT COMPANY, INC.

/s/ Donald W. Douglas
President

/s/ Roy M. Brown
General Vice President

LETTER OF AGREEMENT NO. 2

July 22, 1958
8C256

International Association of Machinists
Aeronautical Industrial District Lodge No. 1578
3015 Ocean Park Boulevard
Santa Monica, California

Attention: Mr. Robert Hengfuss, Business Representative

Gentlemen:

The Douglas Aircraft Company, Inc. has recently contracted to perform certain test and other operations at the Missiles Field Test Location, Cooke Air Force Base, Santa Maria, California.

It is anticipated that the performance of these work functions will require the transfer of certain employees from the Santa Monica Division and its locations to this Missiles Field Test Location for varying periods of time.

In order to facilitate the required transfer of employees selected for employment and to assure the continuance of certain employee benefits, it is agreed as follows:

1. The Santa Monica-IAM collective bargaining agreement, effective May 26, 1958, will be applicable (except as hereinafter stated) to those employees assigned to or employed at the Missile Field Test Location, Cooke Air Force Base, Santa Maria, California, whose work functions, if performed at the Santa Monica Division, would be included within the Santa Monica-IAM 1578 production and maintenance bargaining unit.
2. Article VII, "Seniority", Section 6(a)4d, "Displacement Rules", is revised to include the Missile Field Test Location, Cooke Air Force Base, in Group 2 (Index paragraph 763 b).
3. Article XIV, "Hours and Overtime", Section 2, "Shift Hours" shall not apply to this Missile Field Test Location.

It is requested that you indicate your agreement hereto by signing and returning two (2) of the attached copies of this letter.

Very truly yours,

DOUGLAS AIRCRAFT COMPANY, INC.

/s/ James L. Mayer, Director - Industrial Relations

JLM:Cs

AGREED: /s/ Robert C. Hengfuss

LETTER OF AGREEMENT NO. 3

February 8, 1961
RCG61:ER:15

Mr. Arthur W. Downs, President
International Association of Machinists
Aeronautical Industrial District Lodge
No. 1578
3015 Ocean Park Boulevard
Santa Monica, California

Dear Mr. Downs:

In consideration of mutual promises made herein, it is agreed as follows:

1. The Santa Monica-IAM collective bargaining agreement, dated June 29, 1960, will be applicable (except as hereinafter stated) to those employees assigned to or employed at the Missiles Field Test Location, Vandenberg Air Force Base, Santa Maria California, whose work functions, if performed at the Santa Monica Division, would be included within the Santa Monica-IAM 1578 Technical and Office bargaining unit.
2. Article VII, Seniority, Section 6(a)(4)d, "Displacement Rules", paragraph 763g shall apply.
3. Article XIV, Section 2, "Shift Hours", shall not apply to the Missile Field Test Location.

Kindly indicate your agreement to the foregoing by signing and returning three (3) of the attached copies of this letter of agreement.

Very truly yours,

DOUGLAS AIRCRAFT COMPANY, INC.

/s/ James L. Mayer, Director
Industrial Relations

JLG:Gg
Attachments
AGREED February 22, 1961
INTERNATIONAL ASSOCIATION OF MACHINISTS
DISTRICT LODGE NO. 1578
/s/ Arthur W. Downs, President

LETTER OF AGREEMENT NO. 4

May 10, 1963
3C227

International Association of Machinists
Aeronautical Industrial District Lodge
No. 1578
3015 Ocean Park Boulevard
Santa Monica, California

Attention: Mr. John Snider, Grand Lodge Representative

Gentlemen:

In consideration of mutual promises made herein, it is agreed as follows:

1. The collective bargaining agreement, dated July 23, 1962, between the Douglas Aircraft Company and IAM District Lodge No. 1578, except as herein amended, will be applicable to those employees assigned to or employed at the Space Systems Center, Huntington Beach, California, whose work functions, if performed at the Santa Monica Plant of the Missile and Space Systems Division, would be included in the coverage of said collective bargaining agreement.
2. Article 1 is revised to include a Section 3 and a Section 4.

Section 3: Whereas both parties to this agreement recognize that basic and applied research and research and development projects require the use of equipment, shop tools, and hand tools by engineers, scientists, and their assistants, neither this Article nor any other provision of the agreement shall be interpreted to restrict such employees at the Space Systems Center in the use of such equipment and tools necessary to accomplish the performance of their assignments. Such employees will not regularly and consistently perform production work.

Section 4: The union will make no claim affecting the right of the Company to sub-contract custodial and gardening work at the Space Systems Center.

3. Article VII, Section 5(b)(4) is revised as to the Space Systems Center so as to restrict this right to the Space Systems Center only.
4. Article VII, Section 6(a)(4)d "Displacement Rules" is revised to include:

Group 10 - Space Systems Center

LETTER OF AGREEMENT NO. 4

(Cont'd)

Index Paragraphs 766, 766a, 766b and 767b are revised to include Group 10 with the express understanding that the displacement right set forth in 766 can be exercised only after all Group 10 displacement rights have been exhausted. Employees transferred from Group 1 to

Group 10 may exercise a single displacement right into Group 1 provided:

1. The employee, through work reduction, is subject to downgrade below the job classification held in Group 1 at time of transfer into Group 10.
2. The employee, at least 30 days prior to the work reduction noted in paragraph 1. above, has filed with the Employee Relations Department at his location a written request (on a form to be provided by the Company) to exercise such displacement privilege.
3. If an employee files a request at the time of transfer and becomes subject to downgrade as set forth in paragraph 1. above, within the 30 day period noted in paragraph 2. above, his request shall be honored.
4. Requests to exercise this displacement privilege may be made or withdrawn at any time subject to the 30 day limitation set forth in paragraph 2. above, and subject to being noncancellable for 30 days after submission of the request.
5. For purposes of training, utilization of equipment, and utilization of manpower, the Company may loan or transfer Group 1 and Group 10 employees between the respective locations for not to exceed 90 days without regard to Article VII, Section 7, and such employees shall not, while on such temporary loan or transfer, be considered affected employees under Article VII, Section 6 (at the location to which they are on loan or transfer). Employees promotional rights will be retained at their home location while on such loan or transfer.

Where the loan or transfer is for the purpose of utilization of manpower and there develops a need to reduce because of work needs in the pertinent classifications at the location to which such employees are on loan or transfer, such employees will first be returned to their home location.

The Company will give the Union advance notice of such loans or transfers and will provide written confirmation giving employee names, classifications and the purpose for which the loan or transfer is being made.

LETTER OF AGREEMENT NO. 4

(Cont'd)

Whereas Corporate Office employees assigned to the Space Systems Center are not within the scope of the agreement, the agreement shall not be interpreted to apply in any way to work performed by such employees.

Kindly indicate your agreement hereto by signing and returning three (3) of the attached copies of this letter of agreement.

Very truly yours,

DOUGLAS AIRCRAFT COMPANY, INC.

/s/ J. Curtis Counts , Director - Employee Relations

JCC:Am

Attachment

AGREED: May 13, 1963

/s/ Virgil E. Pergrem

/s/ John Snider

LETTER OF AGREEMENT NO. 5

December 5, 1971

Mr. Bernard Swisher, President
International Association of Machinists
Aeronautical Industrial District Lodge No. 720
19626 South Normandie
Torrance, California

Mr. Virgil E. Pergrem, President
International Association of Machinists
Aeronautical Industrial District Lodge No. 1578
3015 Ocean Park Boulevard
Santa Monica, California

Gentlemen:

The responsibility for producing its products and services in a timely manner at a competitive cost is that of the Management of the Company. It is incumbent upon the Company to decide what portion, if any, of its work or services shall be contracted to other firms or agencies.

The Company's decision to contract work out is based upon economic or other sound business reasons and not for the purpose of diluting the bargaining unit.

Very truly yours,

DOUGLAS AIRCRAFT COMPANY

/s/ R. G. Adamson
Staff Vice President-Personnel MDC West

LETTER OF AGREEMENT NO. 6

SUPPLEMENTAL AGREEMENT

It is agreed between the Company and the Union that for the duration of the existing Company/Union Agreement: Any Plumber Maintenance "A" or Plumber Maintenance Lead who passed or will in the future pass the City of Los Angeles, City of Huntington Beach, City of Santa Monica, City of Torrance, County of Los Angeles, County of Orange or the State of California plumber's tests and thereby obtains a license from any of such agencies, will, in addition to the regular rate of pay, receive an additional five cents (\$.05) per hour so long as such license or renewal thereof remains in full force and effect during the effective period of the Company/Union Agreement. Each employee classified as Plumber Maintenance "A" or Plumber Maintenance Lead will present the license to the Director - Personnel or Designee as proof of having passed such tests and of possessing such license. Rate adjustment shall become effective at the beginning of the next payroll period following presentation of such proof to the Director - Personnel or Designee.

The above applies only to Plumber Maintenance "A" and Plumber Maintenance Lead. It shall not, however, be restricted to those who are so classified currently. In order for other employees who may in the future, but prior to the expiration of the existing Company/Union Agreement, be hired, recalled, transferred or promoted into these classifications, to benefit by this provision, they must similarly present their license(s) or renewals thereof to the Director - Personnel or Designee.

Any employee who qualifies will cease to enjoy the benefits stipulated above upon expiration of the license until presentation of proof of renewal to the Director - Personnel or Designee. Likewise an employee who has qualified will cease to enjoy this benefit upon reclassification to any classification other than Plumber Maintenance "A" or Plumber Maintenance Lead.

s/s I. E. Lynch
President & Directing Business Representative
International Association of
Machinists and Aerospace Workers,
Aeronautical Industrial District
Lodge 720

/s/ N. D. Ingebretsen
Director - Personnel
McDonnell Douglas Astronautics
Company - West

/s/ R. S. Steigerwalt
Director - Personnel
Douglas Aircraft Company

Date: 3-21-75

LETTER OF AGREEMENT NO. 7

SUPPLEMENTAL AGREEMENT

The Parties hereby agree that the 55¢ field pay now in effect at the Florida Test Center, Vandenberg Air Force Base, the Pad and Blockhouse area at Sacramento Test Center, Edwards Air Force Base, White Sands Missile Range, Flourine Test Site A23 and the Electromagnetic Radiation Test Site A24 will be discontinued except for:

1. Employees now receiving such 55¢ who remain in such jobs will continue to receive the 55¢.
2. Employees with displacement rights into field jobs which include the 55¢ will receive such upon reclassification into such jobs.
3. Employees on recall to field jobs which include the 55¢.
4. Employees in 1. and 2. above who may subsequently be transferred to any location into a field job which includes the 55¢.

In the event non-field jobs are required (those which do not include the 55¢) to properly classify employees not eligible for such pay, the Company will (without regard to the provisions of Article IX, Section 9) prepare such jobs and place in the labor grades as follows:

If the field job is in:

The non-field job will be in:

	<u>Factory</u>	<u>Technical & Office</u>
A	12	11
B	13	12
C	14	13
D	15	14
E	16	--
F	17	--

New hires, rehires, and employees transferred/classified into the above locations will not receive the 55¢ field pay.

/s/ N. D. Ingebretsen, Director - Personnel

McDonnell Douglas Astronautics Company - West

/s/ I. E. Lynch

I. E. Lynch, President & Directing Business Representative

International Association of Machinists & Aerospace

Workers, Aeronautical Industrial District Lodge 720

Date: 3-21-75

LETTER OF AGREEMENT NO. 8

5 December 1975

RGA:476

Mr. Ivan E. Lynch, President and
Directing Business Representative
International Association of Machinists
and Aerospace Workers
Aeronautical Industrial District Lodge 720
19626 South Normandie Avenue
Torrance, California 90502

Dear Mr. Lynch:

The McDonnell Douglas Astronautics Company-West (MDAC-W), a component of the McDonnell Douglas Corporation, has contracted for the use of a warehouse located at 7391 Heil Avenue, Huntington Beach, for storage and preparation of certain materials. This new facility will be known as location A4, Procurement Resource Facility. This facility will be staffed by a small number of people to perform essential warehouse-type activities for whatever period of time the Company has need to lease it. Bargaining Unit personnel permanently assigned to A4 will be limited to those employees of the Procurement organization of MDAC-W who hold the specific classifications set forth as Attachment 1 to this letter.

MDAC-W is willing to recognize the International Association of Machinists and Aerospace Workers, Aeronautical Industrial District Lodge 720, as the exclusive bargaining agent for personnel holding job classifications contained in Attachment 1 as if they were employed at the MDAC-W (A3) facility and extend to them the provisions of the Collective Bargaining Agreement which expires on 16 October 1977, subject to the following conditions:

1. Said Collective Bargaining Agreement between the Company and IAMAW District 720 will apply only to employees assigned to the Heil Avenue facility who hold any of the classifications listed in Attachment 1.
2. Article IV, Union Representation, "Section 3(a), Number of Union Representatives and Alternates", shall be modified to provide that, for purposes of representation at the Heil Avenue location (A4), the Union shall be entitled to one Union Representative to represent those employees covered by this Agreement.
3. Article IV, "Union Representation", Section 8, "Safety Committee", shall not apply to personnel covered by this Agreement.

LETTER OF AGREEMENT NO. 8

(Cont'd)

4. Article VII, "Seniority", Section 6, "Lay Off Provisions", (a)(4), "Displacement Rules", e. shall be modified to provide for an additional location group, to be known as "Group 13: Procurement Resource Facility."

A new subsection (5) shall be added following Index Paragraph 784, to read as follows:

"Employees in Group 13 subject to lay off shall not be entitled to exercise displacement privileges into any other group, except that those employees who were transferred from other MDAC-W groups may exercise displacement rights into Group 10 to their job last held before transfer to the A4 facility."

5. Article IX, "Wages", Section 5, "Automatic Wage Progression", Subsection (a) "as to classified employees", shall be modified to substitute "(26) weeks" where "(16) weeks" appears. This modification shall apply only to personnel hired into job classifications shown in Attachment 1 at the A4 facility.

6. This letter is to be identified as "IAM Lodge 720 Attachment Number 34" and will be included as part of the Collective Bargaining Agreement.

7. This Agreement shall be null and void at such time as McDonnell Douglas Astronautics Company-W, or any component of McDonnell Douglas Corporation, no longer occupies, uses, or leases space in this facility, or if the Company sublets this facility.

8. Nothing in this Agreement shall be construed to prevent the Company from temporarily utilizing other Bargaining Unit personnel from the A3 location on an as-needed basis.

Please indicate your agreement to the foregoing by signing and returning three copies of this letter to the undersigned.

Very truly yours,

/s/ R. G. Adamson

Agreed: /s/ I. E. Lynch
President & Directing Business Representative
International Association of Machinists & Aerospace Workers
Aeronautical Industrial District Lodge 720
Date: 12/5/75

RGABmn
Attachment

LETTER OF AGREEMENT NO. 8

(Cont'd)

Attachment 1 to
RGA:476
5 December 1975

JOB CLASSIFICATIONS APPLICABLE TO
PROCUREMENT RESOURCE FACILITY (A4) - MDAC-W

RATE

RANGE <u>JOB CODE CLASSIFICATION AND TITLE</u>		<u>(INCL. 24 CENT COLA)</u>	
N00	Warehouse Storekeeper Senior*	\$5.30	\$5.50
N01	Warehouse Storekeeper	4.55	5.20
N02	Raw Stock Layout Person*	5.40	5.60
N03	Crane and Fork Lift Operator	5.00	5.65
N04	Material Cutting Operator	4.65	5.30

*One employee will be transferred into each of these two classifications, they will retain their present rates, and they will receive future increases now provided by the collective Bargaining Agreement. Replacements, if any, in these two classifications will be hired within the rate range.

EXISTING A3 APPLICABLE JOB CLASSIFICATIONS

<u>JOB CODE</u>	<u>CLASSIFICATION AND TITLE</u>
5283	Material Sorter
8503	Material Surplus Salesman

LETTER OF AGREEMENT NO. 9

5 May 1976

Mr. Ivan E. Lynch, President
International Association of Machinists
and Aerospace Workers
Industrial District Lodge 720
19626 South Normandie Avenue
Torrance, California 90502

Dear Mr. Lynch:

Pursuant to the Joint Administration Agreement with respect to the Hourly Employee Pension Plan entered into on the first day of December 1972, between the Company and the IAMAW, and reflecting our discussion of 5 May 1976, with respect to revision of the Hourly Employees Pension Plan, the following items of such Agreement which are not in the revised Plan will be continued.

1. LOCAL PENSION COMMITTEE

Union appointed committeeman to the Local Pension Committee, or, in his absence, the designated alternate, shall be paid by the Company for time spent in attendance at any scheduled meetings of such Committee. Payment shall be at his regular hourly rate of pay. It is understood that the Company may limit any such committeeman or alternate to such hours of work on such calendar day, including the time spent in attendance at such meeting, equivalent to the number of hours in his regular shift.

2. GRIEVANCE PROCEDURE DOES NOT APPLY

Nothing regarding this Agreement, the Pension Plan or any difference or question arising between the parties or anyone under this Agreement and/or the Pension Plan shall be subject to the grievance or arbitration procedures established in the collective bargaining agreements between the parties.

3. INFORMATION CONCERNING THE PENSION PLAN

The Company will furnish to the duly appointed representatives of the Union information concerning the Pension Plan as follows:

- a. An annual actuarial valuation of the Pension Plan, certified by an actuary selected by the Company.

LETTER OF AGREEMENT NO. 9

(Cont'd)

- b. An annual report from the Trustee of the Pension Plan showing the assets, receipts and disbursements from the Pension Plan Trust Fund.
- c. An annual summary indicating the number of persons receiving benefits from the Pension Plan, the number of Members entering and leaving coverage under the Pension Plan, and the total amount of benefits under the Pension Plan paid during the year preceding the report. A copy of this report shall be furnished all Members.

Kindly signify your agreement to the above by signing and returning two copies to this office.

Sincerely,

/s/ W. I. Paine
Director of Personnel Operations
McDonnell Douglas Corporation

WIP:sv

AGREED: /s/ Ivan E. Lynch
President

LETTER OF AGREEMENT NO. 10

AGREEMENT

A31 LOCAL LODGE

In accordance with discussions regarding Article VII, Section 2(h)(2) during negotiations, it is agreed that in the event the number of bargaining unit personnel permanently assigned at the A31 location reaches twenty-five (25) or more the parties may mutually agree to an additional Local Lodge.

/s/ D. C. Jones
Director Personnel
McDonnell Douglas Astronautics
Company-Huntington Beach

/s/ N. D. Ingebretsen
Vice President
Personnel-West
McDonnell Douglas
Corporation

/s/ I. E. Lynch
President & Directing Business Representative
International Association of
Machinists and Aerospace Workers,
Aeronautical Industrial District
Lodge 720

Date: 22 May 1978

LETTER OF AGREEMENT NO. 11

JOB COMBINATION CROSS TRAINING AGREEMENT

As a result of discussions during Contract negotiations a number of job combinations were agreed upon which will require an appropriate amount of cross training of those employees reclassified to these new occupations. The Company agrees to commence the required cross training as soon as possible following the conclusion of negotiations.

During the cross training period for a combined job, every attempt will be made to eliminate any disqualifications involving the various kinds of employee status changes.

Where necessary, the parties shall develop special overtime agreements to reduce potential inequities to a minimum.

/s/ R. Bollin
Manager - Wage Administration-West

/s/ N. D. Ingebretsen
Vice President
Personnel-West
McDonnell Douglas
Corporation

/s/ I. E. Lynch
President & Directing Business Representative
International Association of
Machinists and Aerospace Workers,
Aeronautical Industrial District
Lodge 720

Date: 22 May 1978

LETTER OF AGREEMENT NO. 12

NATIONAL HEALTH INSURANCE

During our recent negotiations, we discussed the impact on our negotiated Health Care benefits of some form of National (Federal) Health Insurance which insures personal health service if such is implemented during the life of the Collective Bargaining Agreement.

It is recognized that without the specific details of any such Federal plan of National Health Insurance for the general population (as distinct from a program with limited coverage like Medicare), it is not possible at this time to envisage all the implications for our negotiated plans. It is mutually recognized, however, that the health benefits of our program should not duplicate the benefits of the Federal program, to the extent that such duplication can be identified. It is also recognized that if the Federal program requires some form of individual tax or premium contributions from the public for the direct financial support of the Federal program, this could mean that individuals covered under our negotiated program would be making contributions to support benefits which are now non-contributory.

In order to avoid duplication of benefits and to maintain the financial arrangements now in effect to support our negotiated Health Benefits, the Company and the Union agree in principle, to integrate, to the extent possible, benefits under such Federal program which are similar to the benefits of our negotiated plan. This integration would be designed to maintain, to the extent possible each of the benefit levels of our negotiated plan.

We are also agreed in principle that any direct personal contributions required for the support of such a Federal program of National Health Insurance will be assumed by the Company, but only to the extent that the assumption of such obligation does not result in greater aggregate costs to the Company than would have been the case immediately prior to the implementation by the Federal government of financial provisions required to support its program.

/s/ N. D. Ingebretsen
Vice President
Personnel-West
McDonnell Douglas
Corporation

/s/ I. E. Lynch
President & Directing Business Representative
International Association of
Machinists and Aerospace Workers,
Aeronautical Industrial District
Lodge 720

Date: 5-22-78

LETTER OF AGREEMENT NO. 13

HEALTH MAINTENANCE ORGANIZATIONS

1. The Company agrees to provide for employees and retirees, and eligible surviving spouses of employees and retirees, the option to subscribe for health care services (including vision and hearing care) for themselves and their eligible dependents under qualified Health Maintenance Organizations (HMO's) which are mutually agreeable to the parties at a cost which does not exceed the cost of the Indemnity Hospital/Surgical/Medical Program.
2. Such HMO's must be approved by the Federal Department of Health and Human Services pursuant to the amended regulations of the HMO Act of 1973.
3. Any changes to the present health care services provided by existing HMO's will be effective 1 March 1981. Should additional mutually agreeable HMO's be provided in the future, they will be implemented on 1 March.

/s/ N. D. Ingebrøtson
Vice President
Personnel-West
McDonnell Douglas
Corporation

/s/ I. E. Lynch
President & Directing Business Representative
International Association of
Machinists and Aerospace Workers,
Aeronautical Industrial District
Lodge 720

Date: 13 October 1980

LETTER OF AGREEMENT NO. 14

PREPAID GROUP PRACTICE DENTAL PLANS

1. The Company agrees to provide for employees the option to subscribe for dental care services (including orthodontia) for themselves and their eligible dependents under Prepaid Group Practice Dental Plans which are mutually agreeable to the parties at a cost which does not exceed the cost of the Indemnity Dental Program.
2. Any changes to the present dental care services provided by existing Prepaid Group Practice Dental Plans will be effective 1 April 1981.

For the Company

For the Union

/s/ N. D. Ingebretsen

/s/ I. E. Lynch

Date: 13 October 1980

LETTER OF AGREEMENT NO. 15

Mr. Ivan E. Lynch, President and
Directing Business Representative
International Association of Machinists
and Aerospace workers
Industrial District Lodge No. 720
19626 South Normandie
Torrance, California 90502

Attention: Ivan E. Lynch

This letter supersedes our previous Letter of Agreement dated 23 August 1966 regarding accident insurance coverage for missile or rocket accidents, and accidents arising in the course of development, testing or firing of fuel and fuel systems.

Effective 17 September 1979, the death or dismemberment accident insurance benefit was increased and as such will be provided to employees employed at test bases as follows:

1. The amount of accidental death or dismemberment benefits will be paid in accordance with the terms of the insurance contract, in the amount of two times the employees' annual base pay, with a minimum of \$50,000 and a maximum of \$200,000.
2. Coverage will apply to loss of life or dismemberment due to a missile and/or rocket accident sustained while in the course of employment. A missile and/or rocket accident shall mean an accident occurring in the course of development, fueling, or firing of any missile or rocket, or in the course of development, testing, or firing of any fueling system or fuel used or intended for use in any missile or rocket, by any firing, misfiring, malfunction or explosion of any such missile, rocket, fueling system or fuel.

/s/ D. C. Jones
Director Personnel
McDonnell Douglas Astronautics
Company-Huntington Beach

/s/ N. D. Ingebretsen
Vice President
Personnel-West
McDonnell Douglas
Corporation

EFFECTIVE DATE: 9-17-79
CONTINUED AS OF: 10-13-80

LETTER OF AGREEMENT NO. 16

The Douglas Aircraft Company, a component of McDonnell Douglas Corporation, has contracted for the use of the Yuma County Airport facility to perform certain experimental flight test functions on the Company's aircraft.

The performance of these test functions requires the assignment of certain employees from the Company's (Long Beach facility) International Association of Machinists & Aerospace Workers, District Lodge 720 bargaining unit for varying periods of time.

To provide for such assignments and to assure continuance of applicable benefits, it is mutually agreed between the parties that employees at the Yuma County Airport facility of the Douglas Aircraft Company who would be covered by the certifications in NLRB Cases No. 21-R-3295 and 21-R-2025 if they were employed at the Douglas Aircraft Company will be covered by such certifications and by the collective bargaining agreement pertaining to the IAMAW, District Lodge 720, which expires on 23 October 1983, subject to the following modifications:

1. Said collective bargaining agreement between the Corporation and IAMAW District Lodge 720 will be applicable only to those employees assigned to or employed at the Yuma location whose work functions if performed at the Long Beach facility would be included within the IAMAW, District Lodge 720, production and maintenance bargaining unit.
2. Article IV, "Union Representation", Section 3(a), "Number of Union Representatives and Alternates", shall be modified to provide that, for purposes of representation at the Yuma location, a Chairman will be selected from those employees who are assigned to work functions at the Yuma location.
3. Article VI, "Grievance and Arbitration Procedure", Section 2(a), "Scope and Procedure", shall be amended to provide for the following new Sub-section (4):
 - (4) Step 2 as to Grievances of Employees at Yuma Location:
"If the Company's written decision in Step 1 does not settle the grievance to the satisfaction of the employee or the Union, an International Business Representative of the Union may, within five working days from the date on which the decision in Step 1 was rendered, submit the grievance to the Manager of Labor Relations of the Long Beach plant. The Labor Relations Manager shall meet, in Long Beach, California, with the President of District Lodge 720 within five working days after the submission of such grievance to the Labor Relations Manager and shall endeavor to arrive at a satisfactory settlement. A written decision on such grievance shall be given by the Labor Relations Manager within five working days after such meeting."
4. Article XIV, "Hours and Overtime", Section 2, "Shift Hours", shall not apply to this location.

LETTER OF AGREEMENT NO. 16

(Cont'd)

Shift hours which establish regular starting and stopping times and which provide for a thirty (30) minute lunch period shall be established. The starting and stopping time of such shifts shall be subject to adjustment with respect to individual employees, or groups of employees, as may be required. Such adjustment shall not change scheduled shift starting times or stopping times more than two hours. No change in the starting and stopping times of shifts will be effected for the purpose of avoiding overtime payment.

5. Article XVI, "Safety", Section (3)(b), "Determination of Safe Condition", shall be amended by the substitution of the words "Division of Industrial Safety of the State of Arizona" for "California Division of Industrial Safety".

/s/ D. C. Jones
Director Personnel
McDonnell Douglas Astronautics
Company-Huntington Beach

/s/ N. D. Ingebretsen
Vice President
Personnel-West
McDonnell Douglas
Corporation

/s/ I. E. Lynch
President & Directing Business Representative
International Association of
Machinists and Aerospace Workers,
Aeronautical Industrial District Lodge 720

Date: 13 October 1980

LETTER OF AGREEMENT NO. 17

AGREEMENT

PROPOSED MODIFICATION TO HOURS AND

OVERTIME APPLICABLE TO VTC AND FTC

(Movable 12 Hour Period)

It is recognized that shift hours do not apply at the Vandenberg Test Center or the Florida Test Center as set forth in Letters of Agreement (a) 8C256 dated July 22, 1958, (b) RCG61:ER:15 dated February 8, 1961 and (c) letter dated September 5, 1956. However, the parties agree to modify these letters to the extent that they affect split workdays.

When it is necessary to work an employee on a split workday during the first five days of the workweek (i.e., the Company sends the employee home prior to completion of eight (8) hours work and then directs the employee to return during the same workday) the employee's pay will be calculated at straight time for up to eight (8) hours work if that work is performed within a twelve (12) hour period which begins with the employee's start time that day. Time and one half will be paid for each hour worked in excess of eight (8) and for all continuous time worked after the twelve (12) hour period which began at the employee's start time. The time and one half premium pay will stop at the end of the employee's last work period that workday or at the end of that workday as defined in Article XIV, Section 1 whichever is earlier.

/s/ H. C. Rawlins

Manager - Labor Relations
McDonnell Douglas Astronautics
Company-Huntington Beach

/s/ N. D. Ingebretsen

Vice President
Personnel-West
McDonnell Douglas
Corporation

/s/ J. S. Abson

President & Directing Business Representative
International Association of
Machinists and Aerospace Workers,
Aeronautical Industrial District
Lodge 720

Date: 24 October 1983

LETTER OF AGREEMENT NO. 18

Mr. John S. Abson, President and
Directing Business Representative
International Association of Machinists
and Aerospace Workers
Aeronautical Industrial District Lodge 720
2115 West 182nd Street
Torrance, California 90504

Attention: Mr. John S. Abson:

During the recently concluded negotiations, the parties agreed that paragraphs 712, 713 and 714 of the 1980-1983 Agreement, which extends seniority protection to District Officers and Local Lodge Officers, would be deleted from the Agreement with the understanding that should a court of last resort determine that these officers may be legally accorded seniority protection, the provisions of paragraph 712, 713 and 714 would be reinstated, to the extent permitted by law, but without retroactive benefit.

/s/ H. C. Rawlins
Manager - Labor Relations
McDonnell Douglas Astronautics
Company-Huntington Beach

/s/ N. D. Ingebreetsen
Vice President
Personnel-West
McDonnell Douglas
Corporation

/s/ J. S. Abson
President & Directing Business Representative
International Association of
Machinists and Aerospace Workers,
Aeronautical Industrial District
Lodge 720

Date: 24 October 1983

LETTER OF AGREEMENT NO. 19

Mr. E. M. Smith, President and Directing
Business Representative
International Association of Machinists and
Industrial District Lodge No. 720
2115 West 182nd Street
Torrance, California 90504

Dear Mr. Smith

The McDonnell Douglas Astronautics Company, Huntington Beach, has leased a facility in Garden grove, California to accommodate some production control activities and other functions.

The location will be designated A39 and called the Western/Lampson Facility. It is located at 12552 Western Avenue, Garden Grove, California.

In order to facilitate the required transfer of employees to A39 and to assure continuance of certain employee benefits, it is agreed as follows:

1. The MDAC-HB/IAM 720 collective bargaining agreement will be applicable to those employees assigned to or employed at the Western/Lampson Facility whose work functions, if performed at the Huntington Beach facility, would be included within the MDAC-HB/IAM 1578 production and maintenance or technical and office bargaining units.
2. Article VII, Seniority, Section 6(a)(4)d is revised to include Group 18.

It is requested that you indicate your agreement hereto by signing a copy of this letter.

Very truly yours,

/s/ H. C. Rawlins
Manager-Labor Relations
MDAC-HB

/s/ E. M. Smith
President and Directing
Business Representative

Date: 17 October 1986

LETTER OF AGREEMENT NO. 20

This Agreement will confirm the understanding reached between the Company and the Union with respect to bargaining unit employees who accept assignments to engage in SCUBA diving for the Company.

1. Bargaining unit employees in any job classification shall be eligible to accept SCUBA diving assignments for the Company if they qualify under the standards set forth in Paragraph 2. below, and shall receive premium pay while engaged in such diving in the amount set forth in Paragraph 3. below.
2. The standards which an employee must meet to qualify for such an assignment are as follows:
 - a. The employee must hold a current certificate attesting to safe diving practices and safe operation of Self Contained Underwater Breathing Apparatus (SCUBA) issued by NAUI, PADI, or YMCA. An underwater MDAC-HB underwater checkout is also required.
 - b. Divers will be trained and certified in cardiopulmonary resuscitation, diver rescue techniques, and diving related first aid.
 - c. The diver's medical qualifications will be reviewed by MDAC-HB Occupational Safety and Medical Services for approval.
3. The premium which will be paid to qualified employees who engage in such diving shall be computed as follows:
 - a. Divers will be paid a premium of \$3.00 per hour, in addition to their regular rate of pay, from the time they report to the test tank or jump-off area adjacent to the body of water until after the time of dismissal by the supervisor of the operation.
 - b. A minimum of one hour's diving premium pay will be paid for each time the qualified employee accepts such an assignment and reports to a test tank properly accoutered to dive. Time beyond the first hour will be computed to the nearest one-fifth of an hour. As to assignments interrupted by a lunch break, the above minimum guarantee of one hour's premium shall not apply to the diving for which the employee reports after the lunch break (unless the total of the time before and after the lunch break amounts to less than one hour), and shall not apply to the time taken off for lunch. If, however, an employee is ordered to and does report, is dismissed from that assignment, and is again ordered to and does report on the same day, such minimum guarantee shall apply to the subsequent time(s) the diver reports properly accoutered to dive.

LETTER OF AGREEMENT NO. 20

(Cont'd)

4. Selection of individuals from among those who possess the qualifications set forth in 3. above shall continue to be the responsibility of management, based upon evaluation of the skills required for the particular assignment.
5. This is not to be interpreted as an agreement that other qualified divers (including employees in other bargaining units) shall not, when necessary, be assigned to SCUBA diving operations involving their particular skills.

/s/ H. C. Rawlins
For the Company

/s/ E. M. Smith
For the Union

Date: 20 July 1987

LETTER OF AGREEMENT NO. 21

Employees who, pursuant to applicable laws and regulations, elect to continue employment beyond age 65 shall be eligible for benefits under the Company's benefit programs only to the extent and at the levels required by any State or Federal laws or regulations.

/s/ H. C. Rawlins
For the Company

/s/ E. M. Smith
For the Union

Date: 20 July 1987

LETTER OF AGREEMENT NO. 22

VOLUNTARY POLITICAL CONTRIBUTIONS

It is agreed between the Company and the Union that the following understandings have been reached in connection with the Union's request that the Company make deductions for Voluntary Political Contributions from the paychecks of Company employees represented by the Union.

1. The designated financial officer of each local Union will furnish to the local management for each employee for whom a deduction is to be made an authorization card signed by the employee containing the following information:
 - a. Name
 - b. Employee number
 - c. Department
 - d. Component
 - e. Social Security number
 - f. Local Union number
 - g. Amount to be deducted each week
 - h. Date of signature

Cards that cannot be processed will be returned to the designated financial officer of the local Union for correction.

2. The Company will make such authorized deductions from the first paycheck issued in the month and will continue the deductions while such authorization is in effect.
3. In the event a deduction cannot be made in any pay period for whatever reason (no earnings for example) such deduction will not be carried forward to any succeeding pay period.
4. The Company will issue a single check payable to the IAM, care of the International Union, for deductions made in the preceding month minus monthly administrative fees. The IAM represents that IAM MNPL is an organization which is in full compliance with the Federal Election Campaign Act. Overpayment to the Union resulting from canceled employee authorizations will be recovered in a subsequent period.
5. A computer-generated, machine readable (where possible) listing will be forwarded which will indicate name, department number, employee number, payroll location code, local union number,

LETTER OF AGREEMENT NO. 22

(Cont'd)

full social security number, and the amount deducted for employees whose deductions are included in the check.

6. The Union will pay the Company for all actual costs including but not limited to initial setup and programming costs, all general administration costs, computer and machine time, and all costs associated with the processing of new authorizations, changes or cancellations. The Union and the Company must agree on these costs prior to the implementation of this program. A separate billing will be made for initial setup, programming, and implementation charges.
7. The amounts set forth in paragraph 6 above may be increased or decreased by the Company from time to time as experience dictates, upon notice to the International Union.
8. Employees who wish to cancel their authorizations for payroll deductions will sign a card supplied by the Union for that purpose. Refunds will be the responsibility of the Union.
9. The designated financial officer of the local Union will collect and forward to local management as one transmittal all signed authorization cards and cancellation cards for the initial processing and for each subsequent monthly period.
10. An authorization card will be considered canceled at time of employment termination for any reason (e.g., quit, layoff, etc.) or when an employee transfers to a job not covered by the labor Agreement. An employee rehired or reinstated will be required to sign a new authorization card.
11. The Union will indemnify and hold harmless the Corporation from any and all liability or claims arising from administrative error resulting from the deductions provided for in this Agreement.

/s/ B. F. Kunnecke
For the Company

/s/ E. M. Smith
For the Union

Date: 18 December 1989

LETTER OF AGREEMENT NO. 23

GUIDELINES FOR OVERTIME ROTATION
HUNTINGTON BEACH

In order to properly administer rotation of overtime opportunities, these guidelines have been developed as a result of understandings reached between the Company and the Union. These guidelines do not replace existing written special overtime agreements now in existence; however, any new or revised written special overtime agreements entered into by the Company and Union after 22 October 1989 must be in conformance with these guidelines. These guidelines are not applicable to any method of overtime other than rotation (e.g. equalization).

Article XIV, Section 3(c), is the controlling paragraph of the Company-Union Agreement for the rotation of overtime and these guidelines represent an interpretation of that paragraph.

A. Management shall maintain four (4) separate overtime lists:

1. Daily
2. Saturday
3. Sunday
4. Holidays

Note: Written special overtime agreements may provide for more or less than four (4) lists.

B. In the absence of overtime rotation lists, management shall establish the four (4) lists on the appropriate Company forms as follows: classified employees (and the Lead of a classification as agreed) on a shift in a department shall be listed on the Overtime Rotation List form in seniority order.

C. Selection of employees for overtime:

1. Overtime opportunities shall be rotated in the order established on the Overtime Rotation List in the following manner:
 - a. If qualified, the employee next up in rotation order shall be offered the overtime opportunity.
 - b. If the employee refuses the overtime opportunity, for the purposes of rotation, the employee shall be considered as having worked and the next employee on the Overtime Rotation List shall then be considered.

LETTER OF AGREEMENT NO. 23

(Cont'd)

- c. Should it be determined that the employee is not qualified to perform the overtime work, the employee is bypassed. Management must explain the reason for the disqualification to the employee. Note: Written special overtime agreements may provide that the employee bypassed must be considered for the next overtime opportunity.
- d. If an employee is absent from work for any reason (except as provided in e. below) including vacation, bereavement, etc., at the time the overtime is taken up, that employee shall be considered as to have worked and the next employee on the overtime list shall then be considered. Should that employee return to work after the overtime has been offered, but prior to the overtime being worked, he/she shall be offered the overtime opportunity provided he/she notifies the manager of his/her desire to work the overtime at least four (4) hours before the end of the regular shift on that day.
- e. An employee who is absent to serve on jury duty shall not be considered for any overtime work unless the employee makes advance arrangements with the supervisor to work overtime prior to serving on such jury duty.
- f. Thereafter, classified in another department, the same shift and the same classification shall be considered from the Overtime Rotation Lists in rotation order.
- g. Employees transferred to a Training Department will not be eligible for pre or post shift overtime; however, they will be eligible for Saturday, Sunday and holiday overtime on their home overtime rotation list. The employee must make his/her desire to work the overtime known to his/her manager at least four (4) hours before the end of the employee's regular shift preceding such overtime.

D. Additions and Deletions to the Overtime Rotation Lists:

- 1. Any employee permanently added to an Overtime List shall be added to each of the four (4) Overtime Rotation Lists and removed from previous Overtime Rotation Lists effective the date of such permanent assignment. New hires, rehires, recalled employees, permanent transfers, promotions, downgrades and displacements into a classification are to be placed after the last name worked on the Overtime Rotation List on the day preceding the date of transfer, and will not be offered overtime until all qualified employees on the Overtime Rotation List have been offered the overtime opportunity.

LETTER OF AGREEMENT NO. 23

(Cont'd)

2. Any employee loaned from one Overtime Rotation List to another Overtime Rotation List on a day to day basis shall continue to be considered for overtime only in the employee's "home" overtime list until the employee has been loaned to the new Overtime Rotation List for three (3) consecutive workdays. Effective the beginning of the fourth day (including pre-shift, if applicable) the employee shall be added to the new Overtime Rotation Lists and will be offered overtime only on the new overtime list until the loan period expires. The employee shall be noted as OL (On Loan Status) on his/her "home" Overtime Rotation List. (Four (4) hours shall constitute a workday for the purposes of this paragraph.)
3. Employees being so added to an Overtime Rotation List will be placed after the last name worked on the overtime list on the day preceding the transfer date.
4. Employees' names will be removed from an Overtime Rotation List only when permanently transferred or terminated.
5. When an employee is loaned from or to an Overtime Rotation List or transferred from or to an Overtime Rotation List, the effective date shall be so noted on the list.
6. If by reassignment, an employee is to be placed on a new Overtime Rotation List on a Monday, the employee is still eligible for overtime work from the former Overtime Rotation List for the preceding Saturday and/or Sunday. Such employee is not eligible for pre-shift overtime on the day the transfer is effective in either his/her new or former department.

E. Filling out the Overtime Rotation Lists:

1. Only the following codes shall be used:

W	-	Worked (accepted the opportunity to work)
R	-	Refused
V	-	Vacation
A	-	Absent
OL	-	On Loan Status
LOA	-	Leave of Absence
NA	-	No Personal Contact When Telephoning
NQ	-	Not Qualified

2. A code letter must be added so as to indicate overtime opportunities have been offered in accordance with these guidelines.

LETTER OF AGREEMENT NO. 23

(Cont'd)

3. Once overtime is offered, the list will be adjusted so as to end with a "W", except when qualified employees in the same or other classifications in the same or other departments, on the shift, have accepted and worked the refused overtime opportunity.

F. Emergency Overtime (Call In);

1. If during an overtime period it is necessary to call-in additional employees, management will not call employees who had already refused this overtime period but must call, in rotation order, the employees who were not offered the overtime opportunity. Management should proceed down the list until the overtime requirements have been satisfied. If such employees have no telephone, cannot be reached or refuse to come in on such call-in basis, they shall not lose a turn in rotation and will be considered for the next overtime opportunity.
2. Management is to maintain an accurate telephone list (including area codes) of all employees. Should it be necessary to contact employees at their homes to offer an emergency overtime opportunity, employees are to be personally contacted by telephone (telephone recorders do not qualify as personal contact) in rotation order. It is the employee's responsibility to notify management of any phone number changes. It is recommended that such telephone calls be witnessed by a Union Representative or other Bargaining Unit employee when available.

G. General:

1. It is recommended that the manager and Union Representative review the Overtime Rotation List prior to overtime being worked for the purpose of resolving any disputes that may arise in advance of the overtime period.
2. Once an overtime rotation order on an Overtime List is established, that rotation order shall not be unilaterally changed by management.
3. Eligible employees shall be offered overtime in rotation order even though they may have repeatedly refused overtime opportunities in the past.

LETTER OF AGREEMENT NO. 23

(Cont'd)

4. Employees have a contractual right to review and discuss the lists on which their names appear. Union Representatives may inspect all overtime lists in their districts.

/s/ B. F. Kunnecke
For the Company

/s/ E. M. Smith
For the Union

Date: 18 December 1989

LETTER OF AGREEMENT NO. 24

It is agreed during the course of the 1989 negotiations that henceforth Arbitrators added to the permanent "fishbowl" pursuant to the provisions of Article VI, Section 3(c) shall be members of the National Academy of Arbitrators and shall reside within the State of California.

/s/ B. F. Kunnecke
For the Company

/s/ E. M. Smith
For the Union

Dated: 18 December 1989

LETTER OF AGREEMENT NO. 25

The parties have expressed mutual concern over the time delays and costs inherent in our current method of arbitrator selection and receipt of awards.

It is resolved that during the term of this Agreement, the parties shall attempt to agree upon a Permanent Arbitrator and to establish the compensation and terms under which such Arbitrator is to function.

Further, during the course of negotiations the parties agree to utilize third party mediation as a means of assisting in settling grievances in a mutually satisfactory fashion. Use of the mediation procedure in the application of Article VI will be by mutual agreement only.

/s/ B. F. Kunnecke
For the Company

/s/ E. M. Smith
For the Union

Dated: 18 December 1989

LETTER OF AGREEMENT NO. 26

LETTER OF AGREEMENT

TRANSFER OF UPHOLSTERY WORK FROM C6 TO A3

This letter will confirm the understanding reached between the Company and the Union with regard to the recent transfer of upholstery work from Douglas Aircraft Company-Torrance, represented by IAMAW District Lodge 720, to McDonnell Douglas Space Systems-Huntington Beach, represented by IAMAW District Lodge 1578.

Three (3) employees classified as Trimmers, Job Code 6363 (L/G F13), transferred to the Huntington Beach facility on 1-6-92 and will be included in the same overtime and seniority listing as those employees currently classified as Trimmers, Job Code 6363 at MDSSC-HB.

Thirty-one (31) employees classified as Upholsters, Job Code 6483 (L/G F9) and Sewing Machine Operators, Job Code 6033 (L/G F7) at Torrance transferred to the Huntington Beach facility on 1-6-92 into the combined classification of Upholsterer and Sewing Machine Operator, Job code 6483 (L/G F9) and were assigned to Department 496. Those employees will be included in the same overtime and seniority listings along with employees currently classified as Upholsterer and Sewing Machine Operators, Job Code 6483 (L/G F9) at MDSSC-HB.

Employees listed below will begin Huntington Beach IAMAW seniority effective the date of transfer 1-6-92. However, the seniority of these employees transferring to Huntington Beach on the same day shall be in Torrance IAMAW seniority order for all provisions of the current collective bargaining unit Agreement.

The list below reflects the employees covered by this provision and are placed in order of seniority held at Torrance with number one (1) being the most senior of the employees listed.

	<u>Name</u>	<u>Emp. No.</u>	<u>A3 Seniority</u>	<u>C6 Seniority</u>
1.	J.C. Ward	047472	01-06-92	03-02-65
2.	G.F. Powell	047473	01-06-92	01-31-66
3.	J.K. Ryan	047470	01-06-92	11-05-66
4.	N.R. Terrell	047469	01-06-92	05-10-67
5.	E.H. Carmen	047471	01-06-92	09-06-67
6.	M.J. Silva	047468	01-06-92	12-14-69
7.	A.O. Delgado	047158	01-06-92	09-27-71
8.	R.T. Hodgkin	047506	01-06-92	10-04-72
9.	B.H. Johnstone	047159	01-06-92	02-21-73
10.	T. Bursey	047160	01-06-92	02-28-73
11.	D.T. Crawford	047161	01-06-92	03-13-73

LETTER OF AGREEMENT NO. 26

(Cont'd)

	<u>Name</u>	<u>Emp. No.</u>	<u>A3 Seniority</u>	<u>C6 Seniority</u>
12.	E.S. Flaherty	047502	01-06-92	03-13-73
13.	G.S. Blackman	047501	01-06-92	03-19-73
14.	B.N. Richburg	047500	01-06-92	08-12-86
15.	C. Turner	047464	01-06-92	01-05-87
16.	D.L. Bodkin	047503	01-06-92	02-11-87
17.	T.F. Acosta	047162	01-06-92	02-16-87
18.	J.F. Rivera	047467	01-06-92	07-15-87
19.	P.B. Ricketts	047465	01-06-92	09-14-87
20.	F.C. McGinley II	047466	01-06-92	10-12-87
21.	R.L. Thomas	047463	01-06-92	01-04-88
22.	M.O. Monteiro	047479	01-06-92	03-30-88
23.	L.J. McLemore	047478	01-06-92	05-02-88
24.	E. King	047477	01-06-92	06-08-88
25.	T. Gonzalez, Jr.	047476	01-06-92	06-13-88
26.	E.M. Christiansen	047485	01-06-92	07-12-88
27.	M. Artis	047480	01-06-92	09-27-89
28.	C.S. Padilla	047481	01-06-92	09-27-89
29.	B.E. Rodriguez	047482	01-06-92	11-13-89
30.	G.G. Abernathy	047483	01-06-92	04-29-91
31.	R.E. Johnson	047484	01-06-92	04-29-91
32.	D.L. Kensey	047486	01-06-92	05-06-91
33.	N.M. Garcia	047488	01-06-92	05-09-91
34.	E.L. Lewis	047489	01-06-92	05-09-91

Should any of the aforementioned employees transfer or promote out of the occupation, they will cease to be covered by this agreement. Should any of the aforementioned employees displace back into the occupation, they will continue to enjoy this benefit upon reclassification into the occupation.

/s/ P. K. Farmer
Director-Human Resources
Product Support Division

/s/ E. M. Smith
Directing & Business Representative
IAM&AW
Industrial District Lodge 720

/s/ B. F. Kunnecke
Staff Director
Labor Relations-MDSSC

Date: 28 May 1992

LETTER OF AGREEMENT NO. 27

The Transport Aircraft Business Unit of McDonnell Douglas Aerospace has contracted with the US Air Force to provide flight testing operations at Edwards Air Force Base. To accomplish this, the Company has already assigned several IAM represented Flight Test employees to Edwards' main hanger complex and anticipates additional transfers/hires to support this effort in the future.

In order to keep current and future employees assigned to this location in the Bargaining Unit, the Company agrees to amend Letter of Agreement No. 1 dated 5 September 1956 to include IAM McDonnell Douglas Aerospace Flight Test employees transferred from C1 or hired into Edwards Air Force Base, Location M02.

/s/ Mark Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 22 February 1993

LETTER OF AGREEMENT NO. 28

This letter will confirm the understandings of the parties concerning establishment of Seniority Group 4 under Article VII, Section 6(a)(4)d of the Agreement.

1. Within 30 days of ratification of the Agreement, all IAMAW District 720 represented employees assigned to Flight Test job classifications in the Douglas Aircraft Company - Commercial and the McDonnell Douglas Aerospace Transport Aircraft Business Unit at either the Long Beach (C1), Yuma Airport Facility or Edwards Air Force Base locations on the date of ratification, will express, on a form provided by the Company, the Seniority Group (either Group 3 or Group 4) to which they prefer to be assigned.
2. Based upon positions available, employees will be transferred to the Seniority Group and organization of their preference in order of seniority.
3. Transfer of personnel required to implement employee preferences will occur as soon as possible but in no event later than 1 June 1993. Transfers shall occur in order of seniority from the reducing Seniority Group and shall become effective upon the actual date of transfer. The rate of transfer of personnel shall be governed by the ability of the receiving organization to assimilate and train transferring employees.
4. Seniority Group preferences, once determined, may not be changed.
5. Prior to 1 June 1993 Groups 3 and 4 shall be considered one (1) group for purposes of layoff and displacement. Subsequent to 1 June 1993 seniority shall not be transferable between DAC-Commercial Seniority Groups (Groups 3 and 12) and McDonnell Douglas Aerospace Seniority Groups (Groups 4, 5, 6, 7 and 10), nor shall the provisions of Article VII, Section 2(e) (Restoration of Lost Seniority) apply between DAC-Commercial and McDonnell Douglas Aerospace Seniority Groups.

LETTER OF AGREEMENT NO. 28

(Cont'd)

6. The Letter of Agreement dated 9 December 1991 and Company Procedure for Riffing IAM Flight Test Employees dated 12 March 1992 regarding Edwards Air Force Base Location M02 are canceled.

/s/ Mark Keough

For the Company

/s/ C. C. Duncan

For the Union

Date: 22 February 1993

LETTER OF AGREEMENT NO. 29

U.S. GOVERNMENT NATIONAL RANGE SAFETY
WORK TIME REQUIREMENTS

This letter will confirm the understanding reached between the Company and the Union for the duration of the current Company/Union Agreement, the following will apply at location A31, located in California on the Vandenberg Air Force Base, and location A41, located on the Cape Canaveral Air Force Station in Florida.

For personnel safety and vehicle/mission performance, distribution of opportunities and performance of overtime work will be in compliance with maximum work time policies as set forth in the Department of the Air Force Overtime Guidelines dated 7 January 1992 or as revised/amended.

Without prior approval of the cognizant Department of the Air Force Command and McDonnell Douglas Aerospace management no employee shall work more than:

A maximum of sixty (60) hours per week; or

a maximum of twelve (12) hours per day; or

a maximum of fourteen (14) consecutive work days.

If an employee works fourteen (14) consecutive work days, that employee will be granted the fifteenth (15) day off, coded "Company directed absence" with no pay. This directed absence will not have any adverse effect on the employees attendance records.

/s/ Mark Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 22 February 1993

LETTER OF AGREEMENT NO. 30

PRE-PROMOTION TESTING AND ASSESSMENT

The Company and the Union agree to convene a joint committee during the term of this Agreement to investigate and make recommendations regarding the implementation of pre-promotion qualification testing and assessments.

The committee shall consist of two (2) Union and two (2) Company representatives. The committee shall identify job classifications in which pre-promotion testing can be used to determine an employee's qualifications for promotion, shall review and make joint recommendations regarding the types of tests and assessments to be used, and shall recommend procedures for implementation of pre-promotion testing.

/s/ Mark Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 22 February 1993

LETTER OF AGREEMENT NO. 31

During the course of negotiations the parties agreed to provide for mediation in assisting the parties in settling grievances in a mutually satisfactory fashion. Where settlement is not possible, the Mediator will provide the parties with an immediate opinion, based on the Collective Bargaining Agreement, as to how the Mediator believes the grievance would be decided if it were arbitrated. This opinion shall not be final and binding, but shall be advisory only. It is to be delivered orally and to be accompanied by a statement of the reasons for the Mediator's opinion. The advisory opinion shall be used as a basis for further settlement discussions or for withdrawal or granting of the grievance. If the matter is arbitrated, the Mediator shall not serve as the Arbitrator and no reference to the mediation proceedings may be used by any party during arbitration or in any proceedings involving similar issues. Neither attorneys acting in such a capacity nor court reporters shall be allowed to be present at the mediation proceeding.

Mediators participating in these proceedings shall be selected by mutual agreement. If the parties are unable to reach agreement the parties shall ask the Los Angeles office of the American Arbitration Association to provide them with a list of seven (7) Arbitrators who are residents of the Los Angeles area, who are members of the National Academy of Arbitrators, and who have had mediation experience. From the list of seven (7) each party shall have the right to strike in order until the number necessary to fill the panel remains. The party to strike first shall be determined by lot.

Selection of a Mediator from the panel shall be by mutual agreement, if possible. Otherwise, selection shall be by lot, provided that the person selected shall be available for hearings in a reasonable period of time, but in no event more than thirty (30) days following selection. The mediation sessions shall be held at the facility and each party shall bear one-half of the fees and expenses of the Mediator.

/s/ M. K. Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 22 February 1993

LETTER OF AGREEMENT NO. 32

NON-STANDARD WORKWEEK

The Company agrees to apply the following provisions in the implementation of non-standard workweek schedules as provided in Article XIV, Section 1(c) of the Agreement.

1. The Company agrees to assign employees to such schedules as follows:
 - a. When a non-standard workweek opportunity exists in a department, shift and classification, management will make every reasonable effort to solicit volunteers from within that department, shift and classification.
 - b. The most senior employee within that department, shift, and classification, who has volunteered for a non-standard workweek schedule will be assigned the first opportunity. If there are more requests than openings, seniority will prevail.
 - c. Employees who volunteer will remain on the non-standard workweek schedule for at least ninety (90) calendar days unless the requirement for the non-standard workweek is for a period of less than ninety (90) days.
2. Employees transferred to a non-standard workweek may request a change in workweek no sooner than six (6) months from date of transfer. Such request will be granted by the Company effective the first Monday at least six (6) calendar days after receipt.
3. The Company agrees to notify employees of assignment to and from non-standard workweek schedules at least five (5) working days in advance of such assignment.
4. The Company agrees to conform to the Overtime provisions of Article XIV, Sections 3 and 4, and applicable Guidelines For Overtime Rotation, with the exception that employees assigned to a non-standard workweek schedule shall rotate overtime with employees assigned to the same department, classification, shift and workweek.
5. Shift Transfers under Article VII, Section 8 of the Agreement may only occur between shifts on the same workweek schedule. Non-standard workweek shall not be used to circumvent the shift transfer provisions of the Agreement.
6. Holidays falling on an employee's sixth (6th) or seventh (7th) workday will be taken on the employee's first scheduled workday after the holiday.
7. In the application of the provisions of Article XIV, Section 4(b)(3), employees assigned to non-standard workweek schedules shall not be precluded from receiving time and one-half pay for pre-shift hours on the first (1st) day of their workweek.

LETTER OF AGREEMENT NO. 32

(Cont'd)

8. Employees who displace to a position on a non-standard workweek schedule shall have the option of accepting the non-standard workweek schedule or remaining on a standard workweek schedule.

/s/ M. K. Keough

For the Company

/s/ C. C. Duncan

For the Union

Date: 22 February 1993

LETTER OF AGREEMENT NO. 33

DELETED CLASSIFICATIONS

In accordance with understandings reached during the 1992 negotiations regarding Article VII, Section 6(a)(3) Displacement Procedure and Section 7(a) Recall, deleted classifications shall not be included in the displacement and recall process.

/s/ Mark Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 22 February 1993

LETTER OF AGREEMENT NO. 34

Pursuant to discussions during the 1992 labor contract negotiations with regard to revisions to Article VII, Section 6 and Appendix B, it is agreed that rights to last job classifications held will be extended to current incumbents of the following job classifications:

<u>JOB CODE</u>	<u>JOB CLASSIFICATION</u>
M653	Mobile Equipment Operator
7613	Release Planner
T973	Microfilm Photographer & Processor
U453	Electrical/Electronic Dispatcher
T153	Magnetic Tape Librarian

Additionally, the following employees will retain currently held displacement rights as follows:

<u>NAME</u>	<u>EMPLOYEE NO.</u>	<u>DISPLACEMENT RIGHTS</u>
Bryant, W.	033355	4393 to 4383
Cobo, F.	063697	F203 to 3423
Doughty, M.	032620	3423 to M643
Henderson, O.	015417	4393 to 4383
Hiller, R.	077969	M253 to M243
Kimble, C.	038452	M843 to F503
Loebach, H.	020680	T183 to T163
Martinez, A.	033057	F203 to 3432
Morales, J.	019438	4393 to 4383
Rodriquez, M.	026056	4393 to 4383
Wright, R.	026720	4393 to 4383

Should any of the employees affected by this Letter of Agreement transfer, promote, reclassify, displace or be recalled out of the classification, they will cease to be covered by this Agreement. Employees recalled to the above identified classifications will not be extended the displacement privileges set forth in this Letter.

Allegations of inadvertent omissions from this Letter will be investigated by the Company and, if verified, coverage under this Letter will be extended accordingly.

/s/ Mark Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 22 February 1993

ATTACHMENT TO LETTER OF AGREEMENT NO. 34

<u>NAME</u>	<u>EMPLOYEE NUMBER</u>	<u>SENIORITY DATE</u>
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MOBILE EQUIPMENT OPERATOR - JOB CODE M653

L. Walker	82198	6/7/55
T. E. Casale	89861	2/1/66
F. J. Parras	31710	4/17/79
D. Gulledage	38734	6/17/85
M. Gonzalez	73333	10/9/85
R. L. Goss	73475	12/2/85
C. C. Heard	87407	1/7/86
W. Long.	58362	5/19/86
S. Coulter	56351	6/16/86
R. D. Westbay	58029	7/21/86
P. E. Bole	58211	7/23/86
A. E. MacElroy	54401	2/9/87
J. B. Thornton	42643	2/19/87
F. V. Leon	47812	3/11/87
M. G. Hacker	42843	5/19/87
D. B. Rychlik	69127	9/9/87

RELEASE PLANNER - JOB CODE 7613

M. R. Aguirre	31965	6/14/79
P. S. Setser	35314	8/1/82
S. K. Lain	32282	1/15/84
M. J. Burdino	25434	8/8/84
C. A. Taylor	38874	9/3/85
R. R. Mudd	38881	9/16/85
M. C. Ballaris	58133	6/16/86
J. B. Lilienfeld	58242	8/11/86
A. K. Apo	54517	1/5/87
B. M. Whitesell	47804	3/16/87

ATTACHMENT TO LETTER OF AGREEMENT NO. 34
(Cont'd)

MICROFILM PHOTO & PROCESSOR - JOB CODE T973

R. D. Erickson	57245	1/5/53
R. J. McFarland	14144	4/9/62
R. Rivera	33666	2/24/65
B. E. Lander	24123	3/28/66

<u>NAME</u>	<u>EMPLOYEE NUMBER</u>	<u>SENIORITY DATE</u>
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ELECTRICAL/ELECTRONIC DISPATCHER - JOB CODE U453

H. E. Coil	62532	6/16/54
C. L. Shirley	32009	6/19/79
M. H. Le	42433	2/24/87
M. J. Toney	66959	1/4/88

MAGNETIC TAPE LIBRARIAN - JOB CODE T153

N. J. Leonard	36484	8/12/63
B. A. Luplow	41685	10/5/87

/s/ Mark Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 22 February 1993

LETTER OF AGREEMENT NO. 35

GROUP INSURANCE

1. Medicare

A. Health Care Expense Benefits will be paid without regard to Medicare:

1. For employees who are age 65 and over.
2. For their spouses, age 65 and over.
3. During the period 1 October 1995 for active employees and their dependents who are or become eligible for Medicare because of total disability. The Plan will comply with future changes required by any regulatory or governmental agencies.

B. Because Medicare has been changed by law to a secondary coverage for the individuals identified in (1) and (2) above, the Medicare Part "B" premium will not be reimbursed after 1 September 1983 for those individuals.

C. Because Medicare has been changed by law to a secondary coverage for individuals identified in (3) above, the Medicare Part "B" premium will not be reimbursed for those individuals during the period ending 1 October 1995. The Health Care Plan will be amended as necessary to comply with future legally required changes.

D. Health Care Expense Benefits for all other individuals covered by Medicare will continue to be reduced by Medicare Benefits payable. Those individuals will be reimbursed by the Company in the amount of \$15.50 toward the Medicare Part "B" premium rate.

2. Group Insurance Premium Payments:

A. Active Employees

LETTER OF AGREEMENT NO. 35

(Cont'd)

(1) Weekly Disability Benefits

- a. In the states of California, Hawaii, New Jersey, New York, Rhode Island and the territory of Puerto Rico, Employees will pay the contribution equal to the amounts required under the respective state or territorial statutes.
- b. In other states, Employee contributions will be \$4.25 per month.

B. Eligible Employees on Approved Non-Disability Leave

(1) Life Insurance, Accidental Death & Dismemberment Insurance and Survivor Income Insurance

\$.66 per \$1,000 per month of in force Life Insurance.

(2) Extended Disability Benefits

\$.82 per \$100 of monthly benefit per month.

(3) Weekly Disability Benefits

\$4.25 per month.

C. Eligible Employees on Approved Disability Leave Who Have Less Than One Year of Company Service

(1) Life Insurance, Accidental Death & Dismemberment Insurance and Survivor Income Insurance

\$.66 per \$1,000 per month of in force Life Insurance.

(2) Weekly Disability Benefits

\$4.25 per month.

LETTER OF AGREEMENT NO. 35

(Cont'd)

D. Laid-Off Employees

- (1) Life Insurance, Accidental Death & Dismemberment Insurance and Survivor Income Insurance

\$.66 per \$1,000 per month of in force Life Insurance.

E. Early Retirees Under the Employee Retirement Income Plan of MDC - Hourly West Plan

- (1) Life Insurance (Optional)

\$.56 per \$1,000 per month of in force Life Insurance.

- (2) Accidental Death & Dismemberment Insurance (AD&D) (Optional)

\$.10 per \$1,000 per month of in force AD&D. This coverage can be continued only until the first of the month following the retirees 65th birthday.

F. Sponsored Dependent Coverage

- (1) Covered Employees, Retirees and Surviving Spouses may purchase sponsored dependent coverage by paying the full current premium during the period 1 January 1990 to 1 January 1991. Effective 1 January 1991, and each year thereafter, the Sponsored Dependent rate paid by individuals covered under the Comprehensive Health Care Plan only, will be based upon the estimated premium for the year of coverage plus an additional adjustment of 10% to reduce Plan losses for the year of coverage. The additional 10% adjustment per year will be cumulative and will continue from year to year until the Sponsored Dependent premium for all covered individuals equals the cost of claims. Payment of such premium will be through:

LETTER OF AGREEMENT NO. 35

(Cont'd)

- a. Employee - Payroll deductions.
- b. Retiree/
Surviving Spouse - Direct payment of the
current premium to the former Employee's Group
Insurance Department.

/s/ Mark Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 9 August 1993

LETTER OF AGREEMENT NO. 36

LETTER OF AGREEMENT

Effective the Monday after agreement is reached, employees possessing recall rights to Group 3 (C1 Douglas Aircraft Company - Commercial) or Group 4 (C1 Edwards AFB McDonnell Douglas Aerospace Transport Aircraft Business Unit) Flight Test job classifications will be recalled in order of seniority to either Group 3 or 4 regardless of Group preference expressed or implied under procedures used to establish the new Seniority Group 4. Active employees, and employees recalled after the effective date of this agreement, shall establish seniority only in the Group in which actively employed, and upon subsequent layoff, shall possess recall only to such Group.

Employees recalled according to preferences between 1 June 1993 and the effective date of this agreement shall be considered to have been properly recalled.

Within 60 days of the effective date of this agreement, the parties agree to meet and discuss methods by which Group preferences expressed by active employees during the establishment of the new Group 4 may be accommodated.

/s/ Mark Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 9 August 1993

LETTER OF AGREEMENT NO. 37

LETTER OF UNDERSTANDING

The parties acknowledge that in order to meet production requirements in support of operations, employees possessing needed skills within the bargaining unit may be utilized between location Group 6 (Florida Test Center) and Group 7 (Vandenberg Air Force Base) as required, provided the Company has complied with the requirements of Article VII, Section 7 of the Agreement.

/s/ Mark Keough
For the Company

/s/ C. C. Duncan
For the Union

Date: 9 August 1993

LETTER OF AGREEMENT NO. 38

The Pay for Performance Program is a joint Management-Union effort to provide all employees an opportunity to share in affordability and productivity improvements. The goal of the program is to increase employee involvement in the ownership of achieving aggressive but attainable goals and rewarding high performance team work. To facilitate this effort, an Executive Pay for Performance Committee will be established consisting of equal numbers of representatives from the Corporation and the Union. The role of the Committee will be to:

- Identify eligible teams;
- Participate in the development and approval of baselines and metrics;
- Participate and approve goal setting and time tables;
- Determine pay out formulas and share distribution;
- Evaluate modifications to the goal(s) in the event of a significant change;
- Solicit and document feedback from participants.

The parties recognize the importance of rewarding performance improvements and how such improvement is directly linked to our ability to be competitive. We are striving to establish a culture of "common destiny" in which performance improvements are positively rewarded in a fair and timely manner. To this end, the parties commit to the establishment of the Executive Pay for Performance Committee within sixty (60) days of the Agreement ratification.

/s/ Randy E. Embry
For the Company

/s/ C. C. Duncan
For the Union

Date: 5 February 1996

LETTER OF AGREEMENT NO. 39

PAY FOR SKILL

During the course of the 1995 negotiations, the parties agreed that the concepts of Pay for Skill are critical to the career development and employability of its employees and to the overall productivity of the facility. The parties commit to the establishment of a Pay for Skill program that will be activated no later than one hundred eighty (180) days after the ratification of the Collective Bargaining Agreement. The Pay for Skill program will provide mechanisms and economic incentives for employees to affirmatively develop new skills on their own initiative. A joint committee comprised of three (3) Company representatives and three (3) Union representatives will develop Pay for Skill processes that will address the following issues:

- Identify skill requirements necessary to progress through the work centers and other job consolidations;
- Courses/training specifically designed to meet the requirements of the recently agreed upon work centers and job combinations;
- Self-development skills that would allow teammates to train other teammates;
- "Skill" courses available at local institutes of learning;
- Economic incentives for demonstrating new proficiencies within work centers or job classifications;
- Intensive Management/Union involvement in the Pay for Skill design and regular review to make whatever modifications may be necessary to meet MDC's changing skill requirements.

/s/ Randy E. Embry

For the Company

/s/ C. C. Duncan

For the Union

Date: 5 February 1996

LETTER OF AGREEMENT NO. 40

During the course of negotiations, the parties agreed to the following issues related to the combination of classifications and the creation of work centers.

I. Affect of Jobs Absorbed Into a Single Combination:

- (a) Current & former employees who have recall or displacement to a job affected by a combination shall continue to have recall or displacement to the newly combined job in accordance with the recall and displacement procedures of Article VII of the Collective Bargaining Agreement.
- (b) The determination of whether a classification qualifies for displacement privileges shall be made by the maximum labor grade (for expanded rate ranges) of the new job.
- (c) The seniority of all affected employees in a particular job combination will be combined for the purposes of layoff or recall.

II. Affect of Jobs Absorbed Into Two or More New Combinations:

- (a) Employees in partially absorbed classifications shall be offered, in seniority order, the opportunity to choose which of the new job combinations they will be placed into, except as follows:

Employees currently assigned to C17 Quick Response (Job Codes U673, 5353, M383, M963, and M943) will continue to support this function; all other employees external to C17 Quick Response who hold these classifications will have one opportunity to volunteer for priority consideration for available C17 Quick Response openings within thirty (30) days of the Agreement ratification date.

- (b) At the time the choice is being offered to the employee, the designated Union Job Study Committeeperson, or designee, shall be in attendance to ensure the employee understands the effects of his/her decision.
- (c) The employee shall have two (2) working days to respond.
- (d) If additional employees in the partially absorbed classification are needed to initially staff the new job, the Company, at its discretion, shall assign employees to the new job combination.
- (e) Employees eligible for recall to one of the jobs combined in this manner shall have recall rights to all the combinations that absorbed the job

LETTER OF AGREEMENT NO. 40

(Cont'd)

classification. If recalled into one of the absorbing classifications, the employee shall no longer possess recall rights to the other combinations that absorbed the job classification.

- (f) Employees who possess displacement privileges to a classification that has been combined, but not totally absorbed by a single combination, shall be able to exercise their displacement only into the combination that absorbed the largest portion of the classification at the time the combination went into effect.
- (g) The determination of whether a classification qualifies for displacement privileges shall be made by the maximum labor grade (for expanded rate ranges) of the new job.
- (h) The seniority of all affected employees in a particular job combination will be combined for the purposes of layoff or recall.

III. Method by Which a Classification is Removed From a Combination:

- (a) If a classification is removed from a combination, the classification shall be reinstated at its previous labor grade and job description. The remaining combination will be re-evaluated.
- (b) If a classification is removed within the first year the combination is in effect, employees who held the removed classification at the time the combination became effective shall be reclassified to the reinstated classification. Employees being reclassified to the reinstated classification shall not have displacement rights to the remaining combination.
- (c) If a classification is removed from a combination after the combination has been in effect for one (1) year or more, employees in the combination will be offered in seniority order reclassification to the removed classification. If there are insufficient candidates to fill the required openings, management will select employees to be reclassified to the reinstated job in inverse seniority order.
- (d) Affected employees placed back into the reinstated classification whose pure base rate has progressed above the maximum pay of the reinstated job shall not receive future pay increases (GWI or

LETTER OF AGREEMENT NO. 40

(Cont'd)

COLA) until their base rate is equal to the maximum pay of the reinstated job.

- (e) All persons who held recall/displacement to the reinstated job shall regain those rights within the guidelines of Article VII of this Agreement.

IV. Classifications with a Higher Labor Grade at Time of Combinations:

- (a) Any employee who holds a classification wherein the labor grade is higher than that of the combination to which assigned will remain in his/her current labor grade. These employees shall be allowed to progress, at the automatic rate of progression, until they are at the top of the labor grade they held prior to the combination.
- (b) If such employees are promoted or transferred out and subsequently return, they will be placed at their last held rate if below the maximum of the new combination's rate range, or at the maximum of the new combination's rate range, whichever is appropriate. The higher labor grade shall not be used for any other employees, including new hires, rehires or transfers into the classification.
- (c) The affected employee(s) shall be placed on the same lists as other employees of the new classification for the purposes of seniority and overtime.

V. Training Commitment:

- (a) Employees assigned, recalled, or displaced to any combined job classification shall not be disqualified for lack of training opportunities or job experience and shall receive training as necessary to attain the minimum requirements of the job combination.
- (b) Training within the new, multi-skill combinations shall commence as soon as possible with the more senior employees receiving priority consideration, whenever practicable, for such training.
- (c) During the early stages of cross training, the parties agree to establish special overtime agreements per Article XIV, Section 3, as necessary. The parties shall attempt to use the same language in each of these agreements wherever possible.

LETTER OF AGREEMENT NO. 40

(Cont'd)

- (d) Employees will not be laid off as a direct result of any combined job classification. Any subsequent reductions in the workforce must be based on work schedule, budget or other staffing requirements.
- (e) Staffing of work centers/combinations will be accomplished without regard to active shift transfer requests. All shift transfer requests on file at the time the work centers/combinations become effective will remain active and will be updated to reflect the new classification job code and title.

/s/ Randy E. Embry
For the Company

/s/ C. C. Duncan
For the Union

Date: 5 February 1996

LETTER OF AGREEMENT NO. 41

It is understood by the parties that vacation time off will be charged in full-day increments until such time as Company systems have been changed to allow vacations to be taken in the hourly increments specified in paragraph 1210.

/s/ Randy E. Embry
For the Company

/s/ C. C. Duncan
For the Union

Date: 5 February 1996

LETTER OF AGREEMENT NO. 42

AGREEMENT TO PROVIDE INFORMATION ON DISKETTE

It is agreed by the parties that the Company will furnish to the Union information set forth in Article XX, Section 1, on a diskette once the Company's computer database has been modified to accommodate the request. Costs associated with this systems change will be incurred by the Union.

/s/ Randy E. Embry
For the Company

/s/ C. C. Duncan
For the Union

Date: 5 February 1996

LETTER OF AGREEMENT NO. 43

The Union and the Company expect employees to become increasingly self-sufficient and participate in improving products, processes, and procedures of all types. This includes learning new tasks and certifications with the introduction of new products, new technologies, new processes, and teaming concepts such as Lean Manufacturing, High Performance Work Organization (HPWO), Employee Involvement, etc.

The Company agrees to team with the IAM&AW in joint training in the concepts and principles of HPWO, and working together to integrate the philosophies of that program into the employee involvement program.

For the Company

For the Union

/s/ Randy E. Embry

/s/ Nick Bacon

Date: 29 October 1999

LETTER OF AGREEMENT NO. 44

PRODUCTION SUBCONTRACTING

In connection with the Collective Bargaining Agreement of this date between the Company and the Union, it is agreed that the Company has the right to subcontract work and designate the work to be performed by the Company and the places where it is to be performed, which right shall not be subject to arbitration. The parties further agree to the following with respect to subcontracting of production work.

The parties acknowledge that subcontracting work (moving work from a company facility to an outside supplier) and offloading work (moving work from one company facility to another company facility not covered by this Agreement) affect the job security of employees. The word "work" for purposes of this section refers to work of a type currently performed within the bargaining unit. Accordingly, notwithstanding any other provision of this Agreement, the Company agrees that employees will not be laid off as a direct result of subcontracting work. This restriction does not apply to the work identified by the Company prior to the effective date of this Agreement, strategic work placement or offset arrangements (placing work in a foreign country as a condition of selling to that country); to a merger, sale, transfer, or other disposition of a plant or facility or operating unit thereof; or to temporary subcontracting, capacity/floor diversion, customer driven schedule requirements or offloading necessary because of required equipment overhaul or repair, labor disruptions, or events beyond the control of the Company (acts of God, natural disasters, equipment failure, major accidents, etc.). The parties agree that at least annually they will meet and discuss the impact of subcontracting and offset commitments on planned layoffs with the end in view of reducing, where possible, the impact on bargaining unit jobs. As part of this review, the Company will provide an overview of its policies and plans for subcontracting and offset commitments.

To enable the Union to suggest alternatives that would allow the retention of work within the bargaining unit, the Company will, at least ninety (90) days prior to signing the subcontract, provide notice to the Union of any plans to subcontract a significant function involving work then being performed by bargaining unit employees which would directly result in the elimination of fifty (50) or more bargaining unit jobs.

The notice will include the reason for the planned subcontracting. Although the Company will attempt to provide other information related to the planned subcontracting, the Company shall be under no obligation to provide any information, including but not limited to cost and pricing information, which it determines to be proprietary, confidential or subject to nondisclosure provisions. The parties recognize that some foreign subcontracting of significant functions involving market access decisions and offset commitments cannot be disclosed ninety (90) days in advance because of confidentiality concerns but in such event, the Company will give as much notice as is reasonably possible. Following notice of specific subcontracting plans, the parties shall, upon request of the Union, meet and discuss the impact

LETTER OF AGREEMENT NO. 44

PRODUCTION SUBCONTRACTING

(Cont'd)

on the bargaining unit and any proposals the Union might make. In addition to the meetings described above, the Company will meet at the Union's request to discuss issues or proposals related to subcontracting. The Union will keep confidential, and not disclose, any information provided pursuant to this Letter of Understanding which the Company designates as not subject to disclosure.

The parties agree that bargaining unit employees should not be laid off as a result of subcontracting. Accordingly, the parties agree that any bargaining unit employee whose work is subcontracted will be offered reassignment, or re-training, for available work, subject to the provisions of the parties' Agreement.

The parties recognize that the Company must compete in a highly competitive global economy, and commit to achieving the highest level of quality and productivity possible. Both parties recognize that ultimate job security can only be realized in a work environment that creates operational effectiveness, continuous improvement, and competitiveness.

For the Company

For the Union

/s/ Randy E. Embry

/s/ Nick Bacon

Date: 29 October 1999

LETTER OF AGREEMENT NO. 45

SHARES PAYROLL DEDUCTION

The Company agrees to provide a payroll deduction service to IAM-represented employees who choose to invest in the IAM Shares mutual fund managed by the State Street Global Advisors. This service will begin as soon as practicable. The Company will play no role in promoting or otherwise communicating the availability of this service, other than to ensure there is a clear distinction between the service and the Company's Voluntary Investment Plan.

The Company will consider adding the IAM Shares mutual fund to its Voluntary Investment Plan fund lineup. The Company will take into account those matters required of a plan sponsor and plan fiduciary under the Employee Retirement Income Security Act and other pertinent laws and regulations. The Union recognizes that the decision will be made by the Employee Benefit Investment Committee in its sole discretion as plan fiduciary, which decision shall not be subject to the grievance and arbitration procedure of Article VI.

For the Company

For the Union

/s/ Randy E. Embry

/s/ Nick Bacon

Dated: 29 October 1999

LETTER OF AGREEMENT NO 46

October 12, 2001

Mr. Gary Holt, President and
Directing Business Representative
International Association of Machinists
and Aerospace Workers
Aeronautical Industrial District 725
5402 Bolsa Avenue
Huntington Beach, CA 92649

Dear Mr. Holt:

The Aircraft and Missiles (A&M) component of The Boeing Company is in the process of leasing a new facility located at 15400 Graham Street in Huntington Beach. The Company's intentions are to utilize the facility primarily as a Quick Response / Tube and Weld support center for A&M's USAF C-17 Program. The new A&M facility (hereinafter referred to as the Quick Response Center) will be staffed by personnel essential to that operation for whatever period of time the Company has need to lease it.

The Boeing Company is prepared to recognize the International Association of Machinists and Aerospace Workers, Aeronautical Industrial District Lodge 725, as the exclusive bargaining agent for personnel assigned to the Quick Response Center holding those job classifications found below as if they were employed at the Space and Communications Group's A-3 facility. Further, the Company will extend the provisions of our current Collective Bargaining Agreement (effective 29 October 1999) to the above referenced employees with the following supplemental understandings:

1. Article IV, Section 3 (Union Representatives) is modified to provide for one (1) Union Representative for 1st shift and one (1) union Representative for 2nd shift, regardless of population, to represent the Quick Response Center employees covered by this Agreement. The Union shall select such representatives from those bargaining unit employees assigned to the Quick Response Center.
2. Initially, bargaining unit employees classified in the current classifications set forth below may be assigned to the Quick Response Center:

	Job Code
Quick Response Mechanic	P543
Metal Fitting Assembler	P463
Tubing Fabricator	P473
Inspector - Non-Destructive	P973
Insulation Fabricator & Equipment	
Operator	6483
Painter Production	P363

LETTER OF AGREEMENT NO. 46

(Cont'd)

In consideration of the foregoing and notwithstanding the provisions of Article IX, Section 9, the parties acknowledge the installation of the following new Quick Response classifications into Appendix "A" of the Collective Bargaining Agreement:

	Job Code	Labor Grade
Quick Response Planner	P233	T14
Quick Response Inspector	P143	F15
Quick Response Support	P123	T08
Quick Response Processor	P133	F11

The Company acknowledges the new Quick Response classifications reflected above will exist exclusively at the Quick Response Center. Labor Grades have been predetermined by the parties as indicated above. Notification of the effective date of the new classifications and the names of the employees reclassified will be provided by the Company within thirty (30) calendar days after placing the new classifications into effect.

The Company shall notify the Union of any additional classifications determined as necessary for assignment to the Quick Response Center.

3. The parties acknowledge that the success and competitiveness of the new facility will require outstanding team performance, utilization of existing resources to obtain maximum efficiency and providing expanded learning opportunities. Failure to meet customer schedule, unforeseen circumstances and emergency situations may have a negative effect on the future of the Quick Response Center.

Therefore, it is understood that employees assigned to the Quick Response Center may be directed to perform work assignments described for other job classifications. Assignment of employees pursuant to this Agreement takes precedence over promotions, recalls and shift transfers. These assignments are intended to accomplish work in the most efficient manner utilizing existing available bargaining unit members and not to circumvent provisions of the Collective Bargaining Agreement.

4. Nothing in this Agreement shall be construed to prevent the Company from temporarily utilizing other bargaining unit personnel from the A-3 location as required.
5. All disputes relative to the interpretation or intent of the parties relating to the Quick Response Center operation shall be filed as Union grievances in accordance with Article VI, Section 1.
6. This Agreement shall be null and void at such time as The Boeing Company no longer occupies, uses or leases space in this facility.

LETTER OF AGREEMENT NO. 46

(Cont'd)

7. This Agreement shall be considered as Letter of Agreement No. 55 to the parties' Collective Bargaining Agreement.

Please indicate your concurrence to the foregoing by signing and returning this letter to the undersigned.

Very truly yours,

Agreed,

/s/ Dan Craig
Director -- Union Relations
Boeing A&M and BCA
Southern California Operations

/s/ Gary W. Holt
President & Directing Business Representative
IAM & AW
Aeronautical Industrial District Lodge 725

LETTER OF AGREEMENT NO 47

RELATING TO PARTICIPATION IN THE SHARE VALUE PROGRAM

The Boeing Company and the Union agree that all eligible represented employees may participate in the Boeing ShareValue Program (also known as the ShareValue Trust) for the duration of this agreement. The parties agree that the Company's success depends upon the ability to return long-term value to its shareholders. The intent of this program is to help inform employees about what makes a business run and produces shareholder value, and to allow employees to share in the results of their efforts to increase shareholder value.

Employees will be eligible to participate in accordance with the governing provisions of the ShareValue Program as set forth in the official Program documents. In the event of any conflict between this Letter of Understanding and the official ShareValue Program documents, the official ShareValue Program documents will prevail in every case.

Eligible participants will proportionally share in a ShareValue Trust distribution based on the number of months they were eligible to participate during any investment period falling within the term of this agreement or any preceding agreement that provided for their participation in the ShareValue Program.

For the Company

For the Union

/s/ Randy E. Embry

/s/ Fred Hessman

Date: 28 October 2002

LETTER OF AGREEMENT NO 48

Pursuant to discussions held during the recent negotiations concerning keeping or attracting new work into the Huntington Beach Facility, it was determined that Huntington Beach must remain competitive with other Boeing facilities, subcontractors and global competitors. The parties acknowledge that success and competitiveness requires outstanding team performance, utilization of existing resources to achieve maximum efficiency, and providing expanded learning opportunities to increase the skill base of remaining employees.

Therefore, the parties reaffirm that IAM employees may be directed to perform work assignments described for other job descriptions. Such assignments are temporary in nature and intended to accomplish work in the most efficient manner using qualified, available bargaining unit members and not to circumvent provisions of the current Collective Bargaining Agreement.

Any allegations of abuse will be immediately submitted to Labor Relations for attempted resolution with the appropriate Business Representative prior to filing grievances in accordance with Article VI of the Collective Bargaining Agreement.

For the Company

For the Union

/s/ Randy E. Embry

/s/ Fred Hessman

Date: 28 October 2002

LETTER OF AGREEMENT NO 49

The Company and the Union agree that in the event the Company schedules flight test work to be performed at the Boeing Commercial Airplanes - Long Beach facility, and it is anticipated by the Company that the work requirement will exist for eight (8) weeks or less, the Company may assign Group 4 IAM represented personnel to perform such work.

Such work assignments, as may exist from time to time, shall be considered to be of an intermittent nature. The parties acknowledge that flight test work performed at the Boeing Commercial Airplanes - Long Beach facility on a non-intermittent/continual basis shall appropriately be assigned to Group 3 IAM represented personnel.

For the Company

For the Union

/s/ Randy E. Embry

/s/ Fred Hessman

Date: 28 October 2002

LETTER OF AGREEMENT NO 50

This agreement acknowledges that The Boeing Company has agreed to allow the International Association of Machinists & Aerospace Workers to offer the Machinists Custom Choices Worksite Benefits program of supplemental life insurance and long term disability insurance to its members in the bargaining unit through their designated agent, Employee Benefit Systems, Inc. (EBS). Furthermore, the Parties agree that if any other product from EBS is added as a benefit for other IAM-represented employees of Boeing, then they will meet and confer on adding those products for employees covered by this Agreement. It is understood that all policyholder service will be provided by the underwriter and EBS and that members will be given an opportunity annually to spend up to fifteen minutes with an EBS Counselor at the worksite during normal working hours. This service will begin as soon as practicable. It is understood that the Company is not the plan sponsor and is not responsible for plan administration, enrollment or communication.

It is further agreed as a condition of offering this payroll deduction service that EBS will comply with Company Payroll administration and procedures that will include the following basic requirements:

Each participating employee will complete a Deduction Authorization card that contains the employee's name, social security number, deduction name(s) or type(s), employee signature, and date.

Information affecting account activity, including, but not limited to enrollment, policy cancellations, deduction changes, premium rate changes, and other changes affecting the employee deduction amount must be received by Boeing Payroll by the 20th of the month proceeding the month in which the deduction will be effective.

Any deduction amount not collected due to lack of earnings will be the responsibility of EBS. Boeing payroll will not collect amounts in arrears or provide an account reconciliation service.

Deductions will be made from the employee's first paycheck each month.

For the Company

For the Union

/s/ Randy E. Embry

/s/ Fred Hessman

Date: 28 October 2002

INDEX

(REFERENCES ARE TO PARAGRAPH NUMBERS
EXCEPT WHERE INDICATED OTHERWISE)

Adjusted base rate	
definition	904
employees adjusted base rate	912, 935
Adjusted base rate ranges	934
Agreement, collective bargaining	
amendments/modifications to	1906, 2101
breach of, waiver of	1902, 1903
cancellation of prior written and oral	1900
duration of	2100
effective date of	2100
invalidation of part by legal action	1901
parties to	1
savings clause	527
signatures to	Pages 107-110
termination of	2102
Alternates for Union Representatives	414
rights of, (see Union Representative)	
vacation or authorized leave of absence coverage	711
when authorized to act	406
Apprentices, meeting to discuss	1908
Arbitration	
award	632
certification to	620
determination of issue(s)	621
expenses of	
Arbitrator	633
parties	634
fishbowl	624-628, Letter of Agreement 24
hearing date limits	629, 630
request for	620
scheduling/prioritizing cases	

priority	622
regular	623
selection of Arbitrator	
ad hoc	624-628
permanent	626, Letter of Agreement 25
submission statement	621
time of hearing and decision	632
witness pay	634
Arbitrator	
effect of decision	636
expenses of	633
power of	635
permanent	Letter of Agreement 25
Automatic wage progression	
effect of full-week absence	923
effect of start day on	922
effective dates of	920
for classified employees	920
pay rate upon return to work	924, 925
Bargaining Unit work, performance of	1907
Bereavement/Funeral leave pay	1441
Bulletin boards	
locations of	445
permissible subject matter for	446-451
posting and removal of notices on	446
Bureau of Labor Statistics	926-927
Business Representatives	433-438
abuse of access privileges	438
plant access, authorization	433-438
rights of	
to hear grievances	433
to investigate grievances	433
visit departments without escort	436-438
time off	439-440
Call-back pay	1428

Chairman (see Union Representative)	
Changing number or district of Union Representative	416-420
Classification(s), (also see Precepts and Principles)	Appendix A, Page 126
combined classifications	952
deleted classifications	957
upgraded classifications	Letter of Agreement 33 956
Classify, right to	202
Combined classifications	952
Company-Employee grievances (see Grievances, Employee)	
Company-Union grievances (see Grievances, Union)	
Compensation, definition of	
in connection with lump sum payment	950
in connection with vacation or sick leave pay	1224
Computation date (see Vacation computation date)	
Computation of time worked	1429
Cost-of-Living Adjustment	906
Cost-of-Living Allowance	
adjustment dates	930-931
basis for determination of	926
CPI revisions	932
effective dates of	931
eligibility for	933
fold-in	928
formula	932
new employee COLA	933
upon recall	924-925
Cross Training	Letter of Agreement 11
Deductions (see Union dues and fees)	

Definitions

leave of absence	
formal	802
informal	800
of terms and phrases used	
in Job Descriptions	Pages 113-123
probationary employees	703
release	1223
seniority	700
wage related	900-907
workday and workweek	1400-1402
 Deleted classifications	 957
 Demote, right to	 202
 Dental Care	 1001
	Letter of Agreement 14
 Disability	
occupational	799I, 809
agreement applied w/o discrimination to	207
 Discharge, Union representation on	 429
 Disciplinary action	
for strikes, slowdowns, work stoppages	307
removal of record of	1911
subject to just cause	202
Union representation on	429
voiding of	1909, 1910
 Displacement Procedure	 760-765
 Displacement Rights	
mobile equipment operator, release planner, microfilm	
photographer & processor, electrical/electronic	
dispatcher, magnetic tape librarian	Letter of Agreement 34
 Displacement rules	 766-778
failure to qualify for displacement	767
location groups	770-773
notice of decision to exercise displacement rights	776
occupational grouping charts	Appendix B

Distribution of literature	452
Dues deduction, foreign assignments	717
Edwards Air Force Base	
hours and overtime	1432
transfers/hires	Letter of Agreement 27
Emergency shutdown	1427
Employee Activity Pass	405
Employee Benefit Systems (EBS)	Letter of Agreement 50
Employee Investment Plan	1003
Employee Retirement Income Plan	1000
	Letter of Agreement 9
Employee Savings Plan	1002
Employment, beyond age 65	Letter of Agreement 21
Employment with the Company	
definition for vacation/sick leave pay	1219-1221
Extension of time, grievance procedure	637
Field assignments	
Field pay	Letter of Agreement 7.
transfer out of Bargaining Unit	717
insurance coverage, test bases	Letter of Agreement 15
Flight pay bonus	937
Flight Test Intermittent Work	Letter of Agreement 49
Glossary of terms and phrases	Pages 113-123
Grand Lodge Representatives	433-438
Grievance and Arbitration Procedure	Article VI, 200

Grievances, employee	
arising on overtime	432
decisions on	
final and binding	648
requirement to be written	648
retroactive effect of	646, 647
employee not on active payroll	617
filed directly to Step Two	617
group grievances	618
oral presentation	607, 639
procedure	
Step One	608-613
Step Two	614-616
scope of	606
time in which to file	638-645
time limits	
computation of	638, 643-645
effect of leave or vacation	641
effect of oral presentation for OT bypass	639
extensions of	637
failure to comply with	
by Company	650
by Union	649
misclassification claims	642
payments due grievants	651
witnesses	619
written information required on	608-612
Grievances, Union	
arbitration of	604
grievances excluded from this procedure	605
scope of	600
Step One procedure	601
Step Two procedure	602
Group Insurance	1001, Letter of Agreement 35
accident insurance at test bases	Letter of Agreement 15
Groups, location	770
Guide Dogs of America Contributions	520
Guidelines for overtime rotation	1408, Letter of Agreement 23

Guides in the adjustment of differences	201-207
Health Care	1001
Health and Welfare - General	1004, 1005
Health Maintenance Organizations	Letter of Agreement 13
Heil Street Facility (A4) applicable job classifications	Letter of Agreement 8 Page 150
Holiday(s)	
dates granted	1101-1104
definition of	1115
during approved vacation	1111, 1112
pay for	
eligibility requirements	1105-1110
exceptions to eligibility requirements	1106
loss of, for failure to report	1114
work on	
notification requirement	1113
pay for	1113
required for maintenance duties	1114
Indemnity Agreement	526-527
Invention Agreement	
condition of employment	1500
copy of	Appendix C-2
Invention Award Plan	
copy of	Appendix C-1
job occupations requiring	Appendix C
grievances concerning	1502
when effective	1501
Job, cross training	Letter of Agreement 11
Job Descriptions	
new and revised	938-945
procedure to contest	941-944
Job posting procedure	735-742

Jury duty pay 1433-1440

Labor Grades

Field Test Centers labor grade structure 908
for classifications Appendix A
hourly wage rate ranges 908-910

Laws

invalidation of part of Agreement by 1901
on discrimination 207
on mandatory Union membership 500-502, 506, 507
savings clause 527

Layoff(s)

affected employees 754-756
definition of 753
displacement procedure 762-765
displacement rules 766-778
notice of 785
on return from disability leave 787, 788
return of non-bargaining unit salary or hourly
employees with seniority 779-783
right to make 202
selection criteria for 757-759
temporary 784
Union Representatives' seniority entitlement 710-712
voluntary 786
while on out-of-plant assignments 790

Lead(s)

pay 907
promotion to 731,732,744,746
selection for additions 732, 745
selection for reductions 746
temporary assignment to 749

Leaves of absence

clear out procedure for 821
employment while on 822
expiration of 789
for:
disability 809
educational 814-818

election to public office	812, 813
military reserve/National Guard duty	808
Peace Corps/VISTA service	819, 820
personal business	807
Union business	810, 811
formal	
definition	802
effective date of	805
eligibility requirement for	804
extension of	809
maximum allowable time period for	809
procedure for requesting	803
informal	800, 801
layoff while on	787-789
recall while on	799C
Letters of Agreement, index to	Page 134
License, plumbers	Letter of Agreement 6
Limitation on effect of correction interview	1909-1911
Limitation on retroactive effect of grievance or arbitration decision	646, 647
Location C-13	Letter of Agreement 46
Lockouts, covenant against	300
Lump Sum Payment	950-951
eligibility for	950
payment	951
Lunch periods, duration of	1406
Management rights	202, 203
Means of manufacture, right to determine	203
Mediation	Letters of Agreement 25, 31
Membership in Union	
as a condition of employment	500-502

notification to employees of	521-524
procedure for enforcement of	508
where prohibited by state law	506, 507
definition of	500-502, 509, 510
requirement that all BU employees be accepted	504
Military reserve service pay	1442-1444
leave	808
National Guard, leave of absence	808
National Health Insurance	Letter of Agreement 12
New operation or function	939
NLRB certification	100
Non-standard workweek premium	915-919
Notices served on parties	
addresses	1904
when deemed to be served	1904
Occupational Grouping Charts	Appendix B
Occupational injuries	799I
Offsite Locations Recognition	Letters of Agreement 1, 2, 3, 4, 8, 10, 16, 19, 27, 46
Overtime Guidelines	1408, Letter of Agreement 23
Overtime Guidelines, U.S. Government National Range Safety	
Work Time Requirements	Letter of Agreement 29
Overtime pay	1412-1422
double-time	1412-1422
holiday	1414
seventh workday	1413
holidays	1421
pyramiding overtime rates	1420
time-and-one-half	1415
daily	1417
pre-shift, Monday/post-holiday	1418
sixth workday	1416

time off for Union business	1419
vacation time off	1422
Vandenberg/Florida test centers	Letter of Agreement 17
Overtime special agreements	1410
Overtime work	1404-1411
equalization of	1411
for maintenance employees	1408
for non-maintenance employees	1409
grievances arising during	432
mandatory, notice required for	1409
rotation of	1410
Union representation on	432
Pass, Union activity (see Union Activity Pass)	
Pay	
arbitration witness	634
bereavement/funeral leave	1441
call-back time	1428
computation of time for	1429
field, at Florida and Vandenberg Test Centers	Letter of Agreement 7
flight pay bonus	937
holiday pay	1105-1112
eligibility for	1105-1110
jury duty	1433-1440
labor grade ranges	908-910
Lead	907
military reserve service	1440-1444
overtime (see Overtime pay)	
report time	1423-1426
ratification bonus	949-950
severance pay	951
shift premiums	913-914
sick leave	1300-1302
subpoenaed witness	1433-1440
vacation (see Vacation pay)	
Pay day	1430
Pay period	1403
Pay rate upon return to work	924-925

Pay week	1402
Peace Corps, leave of absence	819, 820
Pension Plan	1000, Letter of Agreement 9
Personal Business Day (P3 Day)	807
Placement rights	
employees laid-off (available openings)	777
employees returning to BU	779-783
Plants, right to locate	203
Political Contributions (Voluntary)	Letter of Agreement 22
Posting procedure (request for promotion)	734-742
Precedence of promotions and shift transfers	747-750
Precepts and Principles	Appendix A
job classifications	
production and maintenance	Pages 124-126
technical & office	Page -127
job descriptions	
occupational summary	Page 111
work performed	Page 111
Premium pay (see Overtime pay)	
President, Union	
requesting time off for Union business	439
Union grievances	600
Principles for adjusting differences	200
Probationary employee	652, 703, 704
Processes, determination of	203
Production schedules, determination of	203
Products, types of, determination of	203

Promote, right to	202
Promotion(s)	
definition of	729-731
discontinue Lead	744
disqualification following	743
no reduction in base rate	751
order for selection	732-734
posting procedure for	734-742
to Lead	731
Union Representative	423
Promotional procedure	732-742
Pure Base Rate	
definition	903
wage schedules	908-910
Pyramiding of rates	1420
Rate range(s)	
by labor grades	908
classifications by labor grade	Appendix A
definition	902
Recall	
eligibility for	791
employees returning from non-BU jobs in MDC	779-783
loss of	792, 794
privileges by location group	774
refusal	728, 792, 794
requirement to have necessary qualifications	791
restricted	796
suspended recall	797
temporary medical reject	798
temporary recall	799D
upon expiration of disability leave	789
upon layoff from other BU job	793, 795
while on foreign assignment	799B
while on leave of absence	799C
while on out-of-plant assignment	799A

Reclassify, right	202
Recognition, of Union	100
Refusal to work for safety reasons	1603
Release	
definition	1223
loss of seniority	722
probationary employees	652
Report time pay	1423-1427
Reports to the Union	2000-2026, Letter of Agreement 42
deductions, Union dues and fees	2001-2008
employee status changes	2012
seniority of employees	2011
wage and population information	2013-2019
Rest periods	1431
Retention out of seniority order	799H
Rights	
qualified management	202
sole management	203
•Rights of Union Representative (see Union Representative, rights of)	
Sabotage	1700
Safety	
as reason for refusal to work	1603
devices/equipment	
furnished by Company	1601, 1602
mandatory use of	1601, 1602
investigations	1603-1605
policy	1600
report forms	1605
unsafe conditions	1603

Safety Committee	441-444
Chairperson	441
composition of	441
duties	442
meetings	442
Savings clause, Union security	528
Scuba diving	Letter of Agreement 20
Security regulations	
effect of denial of access	1800
procedure to contest	1801-1804
Seniority	
accumulation during	
layoff	709
leave of absence	799G
temporary transfer out of Bargaining Unit	717
definition	700
determination of	
employees starting on same day	716
hires and rehires	702
reclassifications/promotions out	
of Bargaining Unit	705-707
returns to Bargaining Unit	779-783
transfers into Bargaining Unit	779-788
employees not governed by	
seniority rules	713-715, 799H
establishment of Seniority Group 4	Letter of Agreement 28
first ninety days in Bargaining Unit	702
layoffs	753-790
loss of	705, 719-728
promotions	729-752
restoration of lost seniority	708
retention out of order	799H
shift transfer requests	799E
Union Representatives'	
seniority	710-712, Letter of Agreement 18
Separability clause	1901
Severance Benefit	951-954

Shares Payroll Deduction	Letter of Agreement 45
Share Value Program	Letter of Agreement 47
Shift hours	
exceptions	1407
method of changing	1406
standard	1405
Shift premiums	
second shift	913
third shift	914
Shift transfer request procedure	799E, 799F
exceptions to	718,747,748
Sick leave	809
Sick leave pay	
computation of	1300
pro rata	1302
time of payment	1301
Slowdowns (see Strikes)	
Strikes	
Company rights in event of	307, 309
limitations upon responsibility of Union	308
Union's obligations in event of	302-307
Subcontracting	Letters of Agreement 5, 44
Supervisor	
performance of production work by	1907
Suspend, right to	202
Suspended recall	797
Suspension, temporary medical	798
Temporary assignments	717, 718, 790, 799A
Temporary layoffs	784

Temporary Lead	749
Termination notice	1905
Time off for Union business (see Union business, time off for)	
Time within which to file grievances	638-645
Transcript, arbitration proceedings	634
Transfer	
right to	202
upholstery work from C6 to A3	Letter of Agreement 26
Transfers	
temporary	717, 718
voluntary, non-standard workweek	919
Union activity	
protection for	204
restraint on	205
Union Activity Pass	405, 412
Union business leave	810
Union business, time off for	439, 440, 810, 1419
Union dues and fees	
deductions for	
amounts of, notification by Union of	514-516
Company reports to Union on	519, 2000-2008
employee not in Bargaining Unit	505
employee not on active payroll	505
employee outside U.S.	717
employee returning to Bargaining Unit	503
employees subject to	500-525
indemnification of Company in	526-527
initiation fees	501, 502, 508-511, 513, 517, 522-525
notice to employees	521-525
remittance of by Company	519, 2008
when taken	511, 514-518

when wages are insufficient to cover payment of	518
as establishing membership	500-502, 510
delinquency in, procedure for	508
Union grievances (see Grievances, Union)	
Union membership	500, 501
as a condition of employment	500-502, 510
extent of	502
notice to employees	521
when required	510
when unlawful	506
Union notices, posting and removal	445-451
Union officials, seniority protection	Letter of Agreement 18
Union, recognition of	100
Union representation	
during overtime	432
on discharge	429
on disciplinary layoff	429
Union Representatives	
Alternates for Union Representatives	414
definition of	400
districts, authorization to leave	408-412
attend meeting supervision/Company representative	409, 427
confer Grand Lodge/Business Agent	428
confer with employee subject to disciplinary layoff or termination	429
investigate grievance	410
duty to report	404
employees selected as	
qualifications required	401
Union's obligation to notify of	402
excessive Union activity	413
Executive Board, time off for Union business	439, 440
full-time work	401, 403
Grand Lodge Representative	433-438
handling of grievances by	410, 426, 427

introduction of new employees	431
leaving their department or district	408
number of Representatives and Alternates	414
procedure to change number	416-420
promotion of	423
qualifications of	401
recognized when clocked in	406
rights of	424-429
to attend meeting with Company representative	427, 430
to confer Union	428
to investigate	425
to present grievance to Supervision	426
special layoff/transfer entitlements	421, 422, 710
time spent in performing duties as	424
Trustees, time off	439, 440
when/when not authorized to act	404
who represent	415

Upholstery work, transfer from C6 to A3

Letter of Agreement 26

Vacation computation date	1200
---------------------------	------

Vacation pay

additional vacation pay	1213-1216
basic vacation pay	1211, 1212
compensation, definition of	1224
computation date	1200
credit for rehires	1222
eligibility for	1211, 1213, 1215
pro rata	
amount of	1229
eligibility for	1225-1228
when paid	1230
time of payment	1217, 1218

Vacation time off

amount to which entitled	1201-1205
banking of	1208
credit for rehires	1222
effect of holiday during	1206
limitation of single period of	1208
limitations on when allowed	1209
principle	1207, 1208
requests for	1208, 1209

scheduling of	1209
seniority preference procedure for	1209
single day basis	1210
work needs requirement	1209
Vacation year	
computation date	1200
definition of	1200
Vandenberg (A31)	Letters of Agreement 2, 3, 7, 10, 17, 29, 37
VISTA, leave of absence	819, 820
Wage Rates	
of classified employees	911
Wage schedules	901
labor grade	908
Waivers	1902, 1903
White Sands	1432
Witness pay	1433-1440
eligibility requirements	1433-1440
subpoenaed employees	1433-1440
Witnesses at grievance hearings	619, 634
Work Assignment Flexibility	Letter of Agreement 48
Work remaining in Bargaining Units	103
Work stoppages (see Strikes)	
Workday	1400
Working rate	905
Workweek	
nonstandard	918, 1402, Letter of Agreement 32
standard	1401
Yuma, Arizona Facility	773, Letter of Agreement 16